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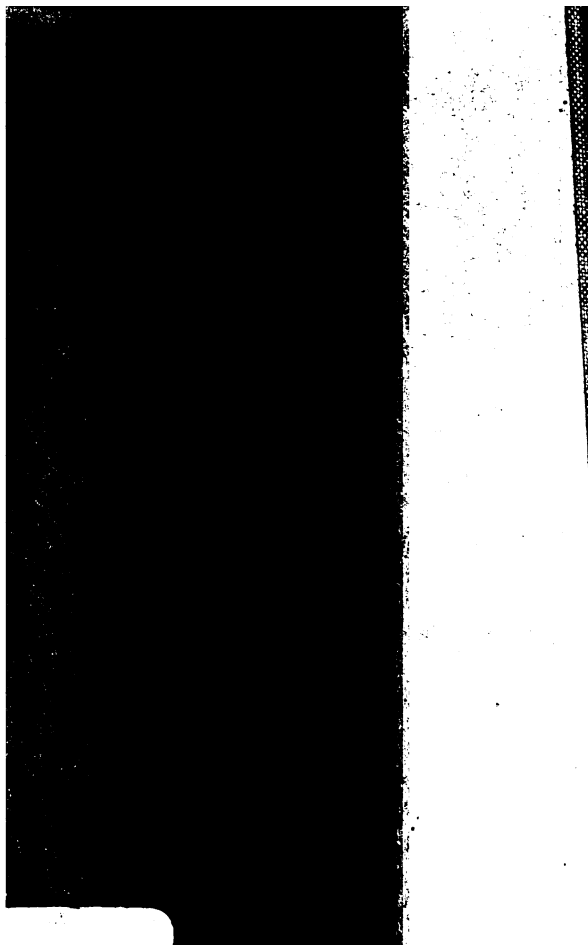
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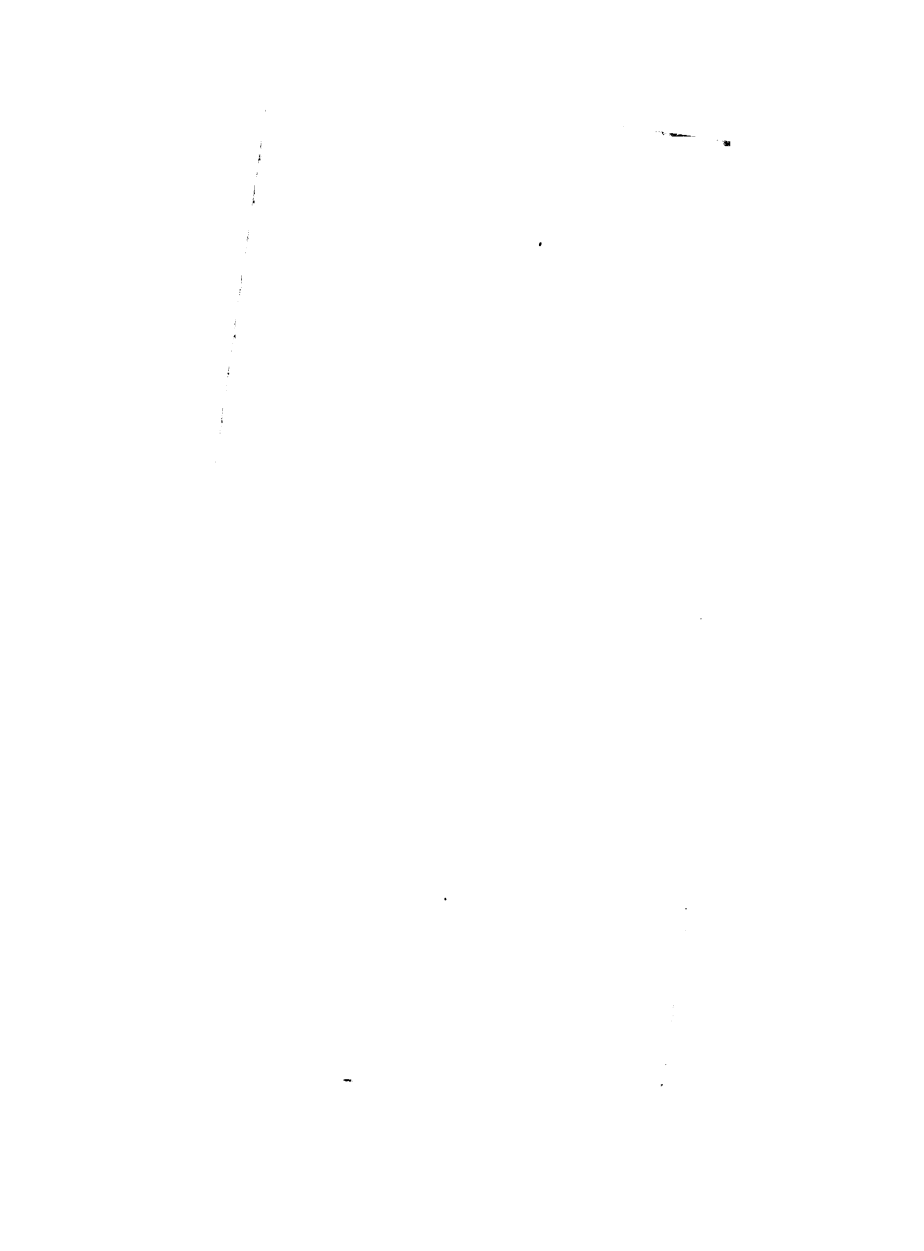
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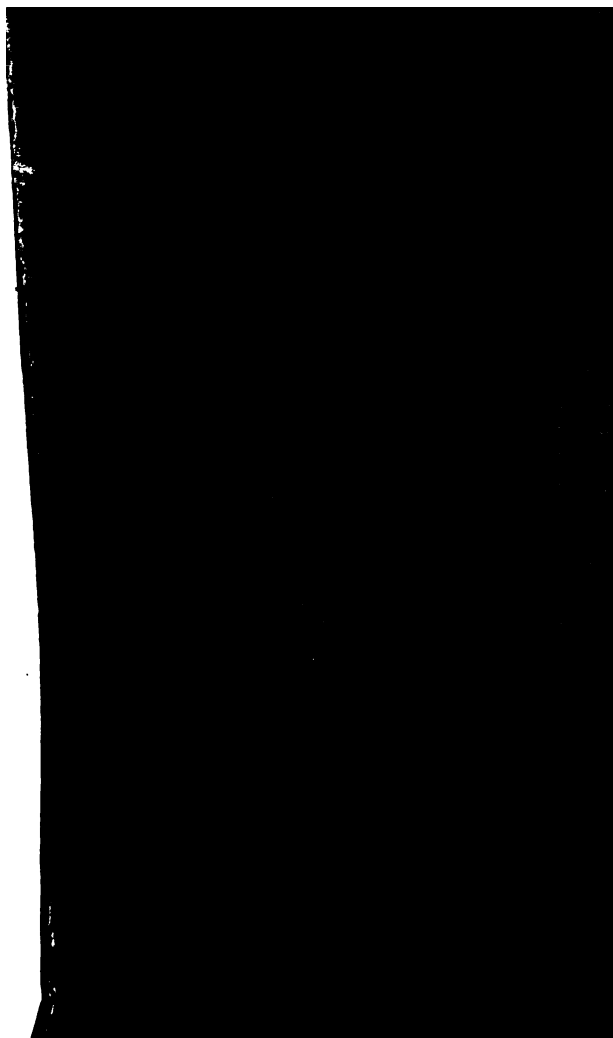


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ILLUSTRATIONS
OF
POLITICAL ECONOMY.

ADDITIONAL

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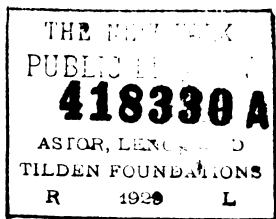
THE
MORAL OF MANY FABLES.

BY
HARRIET MARTINEAU.

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1834.



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P R E F A C E.

THE task which I originally proposed to myself is now finished. I have done what I could to illustrate the leading principles of Political Economy. But I cannot leave off without attempting something more which I believe will improve the purpose of what I have already done. Now that TAXATION is everywhere considered a subject of deep importance,—attention having been called to it in a remarkable degree since my series was planned,—I feel that my work is not complete without a further illustration of the practice as well as the principle of Taxation. In the present doubtful state of our financial policy, the few Numbers which I am about to issue may be expected to be of greater temporary, and of less permanent, interest than those which have preceded them. However this may be, I believe myself called upon to offer them, before laying aside my pen for a long interval.

That I should be permitted to complete, without interruption, my original plan of monthly publica-

tion, for two years, was more than, in the uncertainty of human affairs and the inconsistency of human projects, I ventured to anticipate with any degree of assurance. This is not the place in which to express more than a mere acknowledgment of the fact. But I must be allowed to add that so long a continuance of health and leisure is less surprising to me than the steadiness of the favour by which my exertions have been supported. Unless I could explain how far my achievements have fallen short of my aims, I could not express my sense of the patience with which the wise have borne with my failures, and the ardour with which (for the sake of the science) they have stimulated my successes : while those who have done me the honour of learning anything from me, have given me a yet higher pleasure by their studious appreciation of my object. I know not that my friends of either class can be better thanked than by the assurance, that while in their service I have not experienced a single moment of discouragement or weariness about my task. I have been often conscious of weakness, amounting to failure ; but I have never been disheartened. Long after my slight elementary work shall have been (I trust) superseded, I shall, if I live, recur with quiet delight to the time when it formed my chief occupation, and shall hope that the wide friendships which

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it has originated will subsist when my little volumes are forgotten.

It must be perfectly needless to explain what I owe to preceding writers on the science of which I have treated. Such an acknowledgment could only accompany a pretension of my own to have added something to the science—a pretension which I have never made. By dwelling, as I have been led to do, on their discoveries, I have become too much awakened to the glory to dream of sharing the honour. Great men must have their hewers of wood and drawers of water; and scientific discoverers must be followed by those who will popularize their discoveries. When the woodman finds it necessary to explain that the forest is not of his planting, I may begin to particularize my obligations to Smith and Malthus, and others of their high order.

I proceed to my short remaining task untired, and happy to delay, for a few months, the period when I must bid my readers a temporary farewell.

H. M.

February, 1834.



ACCORDING to the promise of the Author and Publisher, the Subscribers are presented with the Number exceeding the 24 originally proposed. The parties have great pleasure in offering this acknowledgment of the timely support which secured the appearance of the "Illustrations of Political Economy."

March 1, 1834.

THE MORAL OF MANY FABLES.

PART I.

My many fables have all been melancholy. This is the fault which has been more frequently found with them than any other. Instead of disputing the ground of complaint, or defending myself by an appeal to fact, I have always entreated the objectors to wait and see if the moral of my fables be melancholy also. I have been sustained throughout by the conviction that it is not ; and I now proceed to exhibit the grounds of my confidence.

Is it not true, however, that in the science under review, as in every other department of moral science, we must enter through tribulation into truth? The discipline of the great family of the earth is strictly analogous with that of the small household which is gathered under the roof of the wise parent. It is only by the experience consequent on the conscious or unconscious transgression of laws that the children of either family can fully ascertain the will of the Ruler, and reach that conformity from which alone can issue permanent harmony and progres-

sive happiness. What method, then, is so direct for one who would ascertain those laws, as to make a record of the transgressions and their consequences, in order to educe wise principles from foolish practices, permanent good from transient evil? Whatever be the degree of failure, through the unskilfulness of the explorer, the method can scarcely be a faulty one, since it is that by which all attainments of moral truth are made. Could I, by any number of tales of people who have *not* suffered under an unwise administration of social affairs, have shown that that administration was unwise? In as far as an administration is wise, there is no occasion to write about it; for its true principles are already brought to a practical recognition, and nothing remains to be done. Would that we had more cheering tales of happy societies than we have! They will abound in time; but they will be told for other purposes than that of proving the principles of a new science.

Thus much in defence,—not of my tales, but of the venerable experimental method which is answerable for their being sad.

To cure us of our sadness, however, let us review the philosophy of Labour and Capital;—the one the agent, the other the instrument of

PRODUCTION.

WEALTH consists of such commodities as are useful,—that is, necessary or agreeable to mankind.

Wealth is to be obtained by the employment of labour on materials furnished by Nature.

As the materials of Nature appear to be inexhaustible, and as the supply of labour is continually progressive, no other limits can be assigned to the operations of labour than those of human intelligence.

Productive labour being a beneficial power, whatever stimulates and directs this power is beneficial also.

Many kinds of unproductive labour do this. Many kinds of unproductive labour are, therefore, beneficial.

All labour for which there is a fair demand is equally respectable.

Labour being a beneficial power, all economy of that labour must be beneficial.

Labour is economized,

I. By division of labour; in three ways.

1. Men do best what they are accustomed to do.
2. Men do the most quickly work which they stick to.
3. It is a saving of time to have several parts of a work going on at once.

Labour is economized,

II. By the use of machinery, which

1. Eases man's labour.
2. Shortens man's labour; and thus, by doing his work, sets him at liberty for other work.

Labour should be protected by securing its natural liberty; that is,—

1. By showing no partiality.
2. By removing the effects of former partiality.

CAPITAL is something produced with a view to employment in further production.

Labour is the origin, and

Saving is the support, of capital.

Capital consists of

1. Implements of labour.

2. Material, simple or compound, on which labour is employed.

3. Subsistence of labourers.

Of these three parts, the first constitutes fixed capital; the second and third reproducible capital.

Since capital is derived from labour, whatever economizes labour assists the growth of capital.

Machinery economizes labour, and therefore assists the growth of capital.

The growth of capital increases the demand for labour.

Machinery, by assisting the growth of capital, therefore increases the demand for labour.

In other words, productive industry is proportioned to capital, whether that capital be fixed or reproducible.

The interests of the two classes of producers, labourers and capitalists, are therefore the same; the prosperity of both depending on the accumulation of CAPITAL.

Of that which is necessary and agreeable to mankind, no measure can be taken; the materials being apparently inexhaustible, and the power of appropriation incessantly progressive. There is nothing very melancholy in this; and it is as true as if it was the saddest proposition that ever was made. Is there any known commodity which has failed from off the earth when men desired to retain it? Is it not true of every commodity

that in proportion as men desire to have more of it, its quantity is increased? The desire prompts to the requisite labour; and we know of no instance where the requisite labour has been universally stopped for want of materials. The Norwegians may want more wheat, and the Kamtchatkadales will certainly wish for better clothing by and by; but we know that neither corn nor broadcloth are failing, and that the labour is already being multiplied, and the accumulation of capital going on, which may, at length, supply both the one and the other party with what each needs. Even if every man, woman, and child should take a fancy for the scarcest productions of nature,—for diamonds, perhaps,—we have no reason to suppose that there are not, or will not in time be, diamonds enough to supply the human race; and if diamonds inspired as vehement a desire,—*i. e.*, were as necessary,—as daily bread, there would assuredly be no lack of the labour requisite to procure them.

Besides the primary materials which Nature casts forth from every cleft of the earth, and every cave of the sea,—which she makes to sprout under every passing cloud, and expand beneath every sunbeam, there are new and illimitable classes of productions perpetually attainable by bringing her forces to bear upon each other. By such combination, not only new materials, but fresh powers are discovered, which, in their turn, develop further resources, and confound our imaginations with the prospect of the wealth which awaits man's reception. It is a great

thing to possess improved breeds of animals in the place of their forefathers,—the lean wild cattle with which our forefathers were content; and to see golden corn-fields where coarse, sour grasses once struggled scantily through a hard soil: but it is a much greater thing to have made even the little progress we have made in chemical and mechanical science;—to have learned how to change at will the qualities of the very soil, and bring new agents to increase its fertility and vary its productions;—to have learned to originate and perpetuate motion, and guide to purposes of production the winds of heaven and the streams of earth;—to have learned how to bind the subtlest fluids in the chains of our servitude, and appoint their daily labour to the flying vapours. Truly the Psalmist would scarcely have called man lower than the angels if he could have foreseen that such as these would in time be his slaves. While there was nothing known but a spontaneous or comparatively simple production,—while men reaped only what Nature had sown, or sowed at random, trusting that Nature would bring forth the harvest,—while there existed only the brute labour of the coral insect, or the barbaric labour which reared the wall of China, and planted the pyramids, and scooped out the temples of Elora, there was assurance of incalculable wealth in the bosom of Nature and in the sinews of men. What is there not now, when a more philosophic labour has won a kingdom from the ocean, and planted a beacon in the region of storms, and

made an iron pathway from steep to steep before bridged only by clouds, and realized the old imagery of vapoury wings and steeds of fire, promising, not only to ransack the sea and the far corners of the earth for wealth which already exists, but to produce more than had been hitherto imagined? There is nothing dark in this prospect. What dimness there is, is in the eyes of some who look upon it.

It seems strange that any should quarrel with this increase of wealth;—that there should be any wish to leave off soliciting Nature, and any preference of brute or barbaric over philosophic labour. It seems strange that men should wish rather to go on working like the ass and the caterpillar than to turn over such labour to brute agents, and betake themselves to something higher;—that they had rather drag their loads through the mire than speed them on a railroad, and spin thread upon thread than see it done for them a thousand times better than they could do it themselves. It seems strange that these objections should proceed from those who most need a larger share of the offered wealth. There are honourable ways of refusing wealth and power, but this is assuredly not one of them. If there be reasons why man should hesitate to accept large gifts from his fellow-men, there can be none for his declining the bounty of Providence.

The reason why some men do not like to hear of the opening up of new sources of wealth and fresh powers of industry is, that they believe

that whatsoever is given to the race is taken from certain individuals ; and that they had rather that all should suffer privation than that they themselves should undergo loss. The mention of lighting London streets with gas was hateful to certain persons connected with the northern fisheries, as it would lessen the demand for oil. They would have had all future generations grope in darkness rather than that their own speculations should suffer. In like manner, an increased importation of palm oil was a great blessing to the African date-gatherers, and will prove no less to the British public ; but this pure good was at first regarded as a great evil by a few soap-manufacturers, who hoped to have been able to keep up the price of their commodity by controlling the supply of its component materials ; and for the same reasons, the same persons sighed over the removal of the salt-duty. Perhaps no improvement of human resources ever took place without being greeted by some such thankless murmurs as these ; and, too probably, it will be long before such murmurs will be perceived to be thankless, though happily experience proves that they are useless.

While there are human wants, there will be no end to discoveries and improvements. Till all are supplied with soap, or something better than soap, there will be more and more palm oil, and a further cheapening of alkalies. The soap-manufacturers must not comfort themselves with the hope that they can stop the supplies, but with the certainty that the more soap there is,

the more users of soap there will be ; and that their business will extend and prosper in proportion as there are more clean faces among cottage children, and more wholesome raiment among the lower classes of our towns. Since it is vain to think of persuading the poor native of Fernando Po to refrain from gathering his dates when he has once learned that there are thousands of British who demand them, the only thing to be done is to speed the new commerce, and welcome the reciprocation of benefits.

Thus is it also with improvements in art. The race cannot submit to permanent privation for the sake of the temporary profits of individuals ; and so it has been found by such short-sighted individuals, as often as they have attempted to check the progress of art. No bridge was ever yet delayed in the building for the sake of the neighbouring ferryman ; and no one will say that it ought to have been so delayed. When it comes to be a question whether drivers and drovers, carriers and pedlars, shopkeepers, farmers, and market-people shall be inconvenienced or excluded, or one man be compelled to carry his labour elsewhere, few will hesitate on the decision ; and the case would be no less clear if a machine were invented to-morrow for turning out handsome stone houses at the rate of six in a day. There would be great suffering among bricklayers and builders for a time : but it would not be the less right that society should be furnished with abundance of airy dwellings at a cheap rate ; and the new wants which would arise out of such

an invention, and the funds set free by it, would soon provide bricklayers and builders, and their children after them, with other employment in administering to other wants. From huts of boughs to hovels of clay was an advance which called more labour into action, though the weavers of twigs might not like to be obliged to turn their skill to the making of fences instead of huts. From hovels of clay to cottages of brick was a further step still, as, in addition to the brick-makers, there must be carpenters and glaziers. From cottages of brick to houses of stone was a yet greater advance, as there must be masons, sawyers, painters, upholsterers, ironmongers, cabinetmakers, and all their train of workmen. So far, the advance has been made by means of an accumulation of capital, and a division of labour, each dwelling requiring an ampler finishing than the last, and a wider variety as well as a larger amount of labour. If, by a stupendous invention, ready-made mansions should succeed, to be had at half the cost, the other half of the present cost would remain to be given for a yet ampler furnishing, or for providing conservatories, or hanging gardens, or museums, or whatever else might have become matters of taste: while the poor would remove into the vacated brick-houses, and the cottages be left to be inhabited by cows, and the cowsheds, perhaps, by pigs, and the pigsties be demolished; and so there would be a general advance, every one being a gainer in the end.

Perhaps a few people were very well content,

once upon a time, with their occupation of wading in the ponds and ditches of Egypt, to gather the papyrus, and with pressing and drying the leaves, and glueing them crosswise, and polishing them for the style with which they were to be written upon: and these people might think it very hard that any better paper should ever be used to the exclusion of theirs. Yet wide-spreading generations of their children are now employed in the single department of providing the gums and oils required in the composition of the inks which would never have been known if papyrus had been used at this day. If we consider the labour employed in the other departments of inkmaking, and in the preparation of the rags of which paper is made, and in the making and working of the mills from which the beautiful substance issues as if created by invisible hands, and in packing, carrying, and selling the quires and reams, and in printing them, and in constructing and managing the stupendous machinery by which this part of the process is carried on, we shall be quite willing to leave the papyrus to be the home of the dragon-fly, as before the art of writing was known. Saying nothing of the effects of the enlarged communication of minds by means of paper, looking only to the amount of labour employed, who will now plead the cause of the papyrus-gatherers against the world?

A distinction is, however, made by those who complain of human labour being superseded, between a new provision of material, and a

change in the method of working it up. They allow that, as rags make better writing material than papyrus, rags should be used ; but contend that if men can dip sieves of the pulp of rags into water, and press the substance between felt, it is a sin to employ a cylinder of wire and a mechanical press to do the same. But this distinction is merely imaginary. If we could employ a man to sow rags and reap paper, we should think it a prodigious waste of time and pains to get paper in the old method ; and we do sow rags in the cistern and reap paper from the cylinder ; the only difference being, that instead of dew we use spring water, and iron wheels instead of the plough and harrow, and artificial heat instead of sunshine. We might as well wish to keep our agricultural labourers busy all the year trying to manufacture wheat in our farm-house kitchens as recur to the old methods of making paper ; and the consumers of bread and of books would fall off in numbers alike in either case.

Instances without end might be adduced to prove the inevitable progress of art and extension of wealth ; and they might not be useless, since there is still a strong prevailing prejudice against the beneficent process by which the happiness of the greatest number is incessantly promoted, and a remarkable blindness as to the tendency and issues of the ordination by which an economy of labour is made at the same time the inevitable result of circumstances, and the necessary condition of increased happiness. But though the time already spent upon a subject not new may

be no more than its importance demands, my remaining space may be better employed in a sketch of the spread of one ingredient of human comfort than in the mere mention of a variety of similar cases. The instance I have chosen is one where the advance has been wholly owing to improvement in the use of a material which seems to have always abounded.

There is no record of a time when there were not goats and sheep enough to supply clothing to the keepers of the herds, or when their fleeces were not used for this purpose in some parts of the world. While the barbarians of the north dressed themselves in skins, the inhabitants of temperate regions seem to have enjoyed the united lightness and warmth of fabrics of wool. The patriarchs of Asia gathered their flocks about their tents in the earliest days of which history tells; and it was the recorded task of their slaves to wash the fleeces, and of their wives to appoint the spinning of the wool to the maidens of their train. The Arabian damsels carried with them their primitive looms wherever they journeyed; and set up their forked sticks in the sand when they stopped for the night, and fixed the warp and wrought the woof before the sun went down. The most ancient of Egyptian mummies has its woven bandages. In the most remote traffic of the Tartar tribes fleeces were a medium of exchange; and the distaff is found among the imagery of even the earliest Scandinavian poetry. When the Romans, skilled in the choice of fabrics and of dyes, came over to this

island, they taught its barbarian dames to leave off rubbing wolf-skins with stones to make them smooth, and dipping them in water to make them soft, and put into their hands the distaff, which was to be found in every home of the Roman dependencies, and instructed them in the use of a more convenient loom than that of the Arabian wanderers. For several hundred years it seems that this remained a purely domestic manufacture; but, as the arts of life improved, it became worth while for the housewives to relax in their spinning and weaving, and exchange the products of their own or their husbands' labour for the cloth of the manufacturers. There was better cloth in Flanders, however, by the beginning of the thirteenth century; and it was found profitable to weave less, and grow more wool for exportation. The British dames might still carry their spindles when they went out to look for their pet lambs on the downs, but it was less with a view to broad cloths than to hose,—not knitted, for knitting was unknown, but made of a ruder kind of cloth. There were abundance of English who would have been very glad of the occupation of weaving fine cloth which the Flemings had not all to themselves; but they could not obtain till they had adopted and accustomed themselves to the improved methods of the Flemings; as they were slow in doing this, they were assisted by Edward III., who invited over Flemish manufacturers, to teach these improved methods. Having brought them over, the next step necessary was to guard their lives from their

pepils, who would not hear of spinning by wheel, because the wheel did twice as much work as the distaff; or of winding the yarn and arranging the warp and woof otherwise than by the fingers, because many fingers wanted to be employed; or of using new drugs lest the old druggists should be superseded, or of fulling by any other means than treading the cloth in water. If it had not been that the King was more long-sighted than his people, these Flemings would have been torn to pieces, or, at best, sent home in a panic; and the English would have lost the woollen manufacture for many a year, or for ever.

Woollen cloth was very dear in those days. In the fourth year of Henry VII., it was ordered by law what should be the highest price given per yard for "a broad yard of the finest scarlet grained, or of other grained cloth of the finest making;"—viz., as much labour and subsistence as could be exchanged for 6*l.* 16*s.* of our present money. Now, there could not be any very large number of customers in England at that time who could afford to pay 6*l.* 16*s.* per yard for fine cloth, even if they had not had the temptation of getting it cheaper and better from Flanders. The manufacture must have been a very trifling one, and there must have been a sad number of sufferers from cold and damp, who, in those days of ill-built and ill-furnished houses, would have been very glad of the woollen clothing which none but the very rich could obtain. If their rulers had allowed them to get it cheaper and better

from Flanders, the home manufacture would have been thereby stimulated, extended, and improved; but, under the idea of protecting the English manufacture, it was made a punishable offence to buy cloth woven by any but Englishmen, and to send wool out of the kingdom. Laws like these (and there were many such during many reigns) did all that could be done for keeping the manufacture in few hands, and preventing the spread of this great article of comfort: but nature was too strong for governments; and it was shown that while there were flocks on the hills, and sickly people shivering in the damps of the valleys, no human power could prevent their striving to have garments of wool for the day and coverlets of wool for the night. In the remote country places of Yorkshire, the people began to encourage one another in spreading the manufacture, to the great discomfiture of the weavers of York, who dreaded nothing so much as that the fabric should become cheaper and commoner. Henry VIII. declared that York had been upheld, and should be upheld, by this exclusive manufacture; that Worcester alone should supply its county and neighbourhood, and that worsted yarn was the private commodity of the city of Norwich: but Henry VIII. spoke in vain. As long as there were streams among the Yorkshire hills where fulling-mills could be worked, the people of York might go on treading with the feet, and offering inferior cloth at a higher price; the people would not have it. The cloth *from the fulling mills, and the engine-wound*

as, were sold as fast as they could be prepared, the men of York and Norwich were obliged to fulling mills and winding machinery, or give their trade. They submitted, and sold more than ever, and gained more as their fabric came cheaper and commoner. Queen Elizabeth allowed wool to be freely carried out of the kingdom; and the prosperity of the manufacture increased wonderfully in consequence. More wool was grown, and there was inducement to the pains with its quality. Not only did the gentlemen of the court delight themselves in the superior fineness of their scarlet and purple stuffs, many a little maiden in farmhouse or cottage prized in a Christmas present of a substantial frock of serge or cloak of kersey.

The more was wanted, the further inducement there was to make a greater quantity with the same capital; in other words, to abridge the labour: and then followed improvement upon improvement in the machinery employed, which further extended the demand and caused more labour to be employed. The being able to get the same cloth for less money served as a far better encouragement of the manufacture than Charles Second's law that all the dead should be buried in woollen shrouds. From this time, nothing could stop the spread of comfortable clothing. Even the cotton manufacture,—the most prodigious addition to national resources that ever arose,—proved a pure addition. Society has not worn less wool for it, but only the more cotton. How stands the case now?

The value of the woollen manufactured article of Great Britain alone now exceeds 20,000,000 ~~of~~ a year; and the manufacture employs 500,000 persons:—and these, not spinning and weaving, with all imaginable awkwardness and toil, just enough for their own families, but producing with rapidity and ease finished fabrics with which to supply not only the multitudes of their own country, but the Russian boor in their winter dwellings, the Greek maidens on the shores of their islands, the boatmen of the Nile, the dancing girls of Ceylon, the negro slaves of Jamaica, the fishermen of Java and the peasantry of Hayti, the sunburnt Peruvian when he goes out defended against the chilly dews of the evening, and the half-frozen Siberian when he ventures to face the icy wind for the sake of the faint gleams of noon. Our looms and mills are at work in Prussian villages and beside Saxon streams. The Turk meets the Frank on the Oder, to exchange the luxuries of the one for the comforts of the other. The merchants of the world meet at the great fair of Leipsic, and thence drop the fabrics of European looms in every region through which they pass. There are shepherds on the wide plains of Van Diemen's Land, and on the hills of the Western World, preparing employment and custom for the operative who sits at his loom at Leeds, and the spinner who little dreams from what remote parts gain will come to him at Bradford. And the market is only beginning to be opened yet. Besides the multitudes still to *arise* in the countries just named, there are

innumerable tribes of Chinese, of Hindoos, of Persians, of dwellers in Africa and South America, who yet have to learn the comfort of woollen clothing. Will not the Greenlanders seek it too? And who needs it so much as the Esquimaux? All these will in time be customers, if we do but permit the commodity to be brought naturally within their reach.

Would it have been right that all these should be sacrificed to the wishes of the little company of spinners by hand and treaders with the feet? Would not that little company and their children's children have been sacrificed at the same time?

In all other instances of the introduction of machinery, as in this, the interests of masters and men are identical. To make more with less cost is the true policy of the one, in order that it may bring the advantage of obtaining more with less cost to the other. That is, the utmost economy of labour and capital should be the common aim of both.

A real cause of regret is that the invention of machinery has not yet advanced far enough. This is an evil which is sure to be remedied as time passes on; and perhaps the advance has been as rapid as has been consistent with the safety of society. But as long as there are purely mechanical employments which shorten life and stunt the intellect, we may be sure that man has not risen to his due rank in the scale of occupation, and that he is doing the work of brute matter. As long as the sharpener of needles bends coughing over his work, and young

children grow puny amidst the heated atmosphere of spinning factories, and the life of any human being is passed in deep places where God's sunshine never reaches, and others grope with the hands after one servile task in a state of mental darkness, we may be sure that we have not discovered all the means and applied all the powers which are placed within our reach. It is necessary that steel should be ground; but the day will come when it shall be a marvel that men died to furnish society with sharp needles. It is necessary that cotton threads should be tied as they break; but it cannot for ever be that life should be made a long disease, and the spirit be permitted to lie down in darkness in the grave for such a purpose as this. If society understood its true interest, all its members would unite to hasten the time when there shall be no unskilled labour appointed to human hands. It is far nobler to superintend an engine than to be an engine; and when all experience proves that a hundred such superintendents are wanted in the place of one of the ancient human instruments, it appears truly wonderful that men should resist a progression which at once increases the comforts of multitudes, ensures the future prosperity of multitudes more, and enhances the dignity of man by making him the master of physical forces instead of the slave of his fellow man.

Next to providing for the increase of Capital by direct saving, and by economy of the labour which is the source of capital, it is important to *economize* capital in its application. One principle

of this economy,—that capital is most productive when applied in large quantities to large objects,—is illustrated by the comparative results of large and small farming.

PRODUCTION being the great end in the employment of labour and capital, that application of both which secures the largest production is the best.

Large capitals, well managed, produce in a larger proportion than small.

In its application to land, for instance, a large capital employs new powers of production,—as in the cultivation of wastes;

- - - enables its owner to wait for ample but distant returns,—as in planting;
- - - facilitates the division of labour;
- - - - the succession of crops, or division of time;
- - - - reproduction, by economizing the investment of fixed capital;
- - - - the economy of convertible husbandry;
- - - - the improvement of soils by manuring, irrigation, &c.;
- - - - the improvement of implements of husbandry;
- - - - the improvement of breeds of live stock.

Large capitals also provide

for the prevention of famine, by furnishing a variety of food; and for the regular supply of the market, by enabling capitalists to wait for their returns.

Large capitals, therefore, are preferable to an equal aggregate amount of small capitals, for two reasons, viz. :

they occasion a large production in proportion;

and they promote, by means peculiar to themselves, the general safety and convenience.

Capitals may, however, be too large. They are so when they become disproportioned to the managing power.

The interest of capitalists best determines the extent of capital; and any interference of the law is, therefore, unnecessary.

The interference of the law is injurious; as may be seen by the tendency of the law of Succession in France to divide properties too far, and of the law of Primogeniture in England to consolidate them too extensively.

The increase of agricultural capital provides a fund for the employment of manufacturing and commercial, as well as agricultural, labour.

The interests of the manufacturing and agricultural classes are therefore not opposed to each other, but closely allied.

The same principle applies, of course, in all cases where an extensive production is the object, and points out the utility of associations of capitalists for many of the higher aims of human industry. A union of capitals is perhaps as excellent an expedient as a division of labour, and will probably be universally so considered ere long. If it be an advantageous agreement for six cabinet-makers that two should saw the wood for a table, and one square it, and another turn the legs, and a fifth put it together, and the sixth polish it, one set instead of six of each kind of tool being made to suffice, it is no less obvious

that six owners of so many fields will also gain by uniting their forces,—by making one set of farm-buildings suffice, by using fewer and better implements, and securing a wider range for a variety of crops and for the management of their live stock. In like manner, twenty fishermen, instead of having twenty cockle-shell boats among them, in which no one can weather a stormy night, may find prodigious gain in giving up their little boats for one or two substantial vessels, in which they may make a wide excursion, and bring home an ample prey to divide among them. This is the principle of mining associations, and of fishing and commercial companies; and it might ere this have become the principle of all extensive undertakings for purposes of production, if some of the evils which crowd round the early operations of good principles had not been in their usual punctual attendance. Such associations have led to monopoly, and have been injured by wastefulness in the management of their affairs. But the evils savour of barbarism, while the principle is one of high civilization. The evils are easily remediable and will certainly be remedied, while the principle cannot be overthrown.

Many, however, who do not dispute the principle, object to its application in particular cases, on moral grounds. They say “Let there be mining companies, for not one man in a million is rich enough to work a mine by himself; but let the race of little farmers be preserved, for we have seen that one man, though not rich, may

cultivate his little farm ;” and then follow praises, not undeserved in their season, of the position and occupation of the small farmer, and lamentations, but too well-founded, over the condition of agricultural labourers at the present time.

The question is, *can* the race of small farmers be revived? .It cannot. The question is not now, as it was when the country was underpeopled, and the nation comparatively unburdened, whether the labouring class cannot be kept more innocent when scattered in the service of small proprietors than when banded in companies as now ; or whether the small proprietor was not happier as a complacent owner than as a humbled labourer? The days are past when this might be a question. The days are past of animal satisfaction and rural innocence in a rambling old farm-house. The days of a competition for bread are come, and rural innocence has fled away under the competition ;—to give place to something better, no doubt, when the troubled stage of transition is passed,—but, still, not to be recalled. A very small capital stands no chance when the tax-gatherer is at the farmer's heels, and the pressing cry for bread can be met only by practising new, and more costly, and more extensive methods of tillage every day. The partial tax-gatherers may and will be got rid of ; but the land will not again be underpeopled, and therefore tillage will not revert to the ancient methods, nor fields be held under the ancient tenure. Production is now the great aim ; and *unless* small farming can be shown to be more

productive than large, small farming must come to an end, unless in cases where it is pursued for amusement. Whenever the oak shall be persuaded to draw back its suckers into the ground, whenever the whole of the making of each pin shall be done by one hand, the old system of farming may be revived. Then an ounce of pins must serve a city, and a loaf a month must suffice for a household; and if corn is brought in from abroad to supply the deficiency, the home farmer must be immediately ruined by the dearness of his own corn in comparison with that which is grown in far places. Large capitalists can alone bear up against taxation and protection, at present; and large capitalists alone can stand the competition when freedom of trade in corn shall at length be obtained. Since the time for a country being underpeopled must cease, and the most extensive production must then become for a period the chief object, nothing can be plainer than that it has been settled, from the beginning of time, that small farming capitals must merge in large. It is not our present business to inquire what state of things will next succeed.

Let us not leave the topic, however, under an impression that the state we are passing through is one of unmixed gloom and perplexity. Our agricultural population is in a very deplorable condition,—ill-fed, untaught, and driven by hardship to the very verge of rebellion; but these evils are caused by the inadequateness of ancient methods, and not by the trial of new ones. More food and other comforts must be found for them,

and they must be instructed not to increase the pressure upon the supply of food. In the meantime, it is a decided gain to have discovered and to be discovering methods of securing a greater production at a less cost. If such discoveries go on, (and go on they must,) and our agricultural population grows wiser by instruction and experience as to the means of living, independence of spirit and of action will revive, (though there be no small farms,) virtue may take the place of mere innocence, and bands of labourers may be as good and happy in their cottages as ever farmer and his servants were when collected in the farm-house kitchen. They may meet in church as efficaciously when the bell calls them each from his own home, as when they walked, many at the heels of one. In one essential respect, there is a probability of a grand improvement on the good old times. In those times, the farmer's eldest son too often followed the plough with little more sense of what was about him than the tiller he held. His much boasted innocence neither opened his eyes to the lights of heaven nor gladdened his heart amidst the vegetation which he resembled much more than he admired. Hereafter, the youngest child of the meanest servant of the farm will look and listen among God's work with the intellectual eye and ear, with which the enlightened mechanic already explores the widest different field in which he is placed. Whenever came the demon breath which kindled farm-yard fires, they have flashed wisdom on *minds of our rulers*, and are lighting the labour

path to knowledge. The evil, though deplorable, is calculable and remediable. Who shall estimate the approaching good?

There is in my Series one other chapter of principles, under the head of PRODUCTION. The time for its insertion in this place is past; and, on the principle of "forgetting those things which are behind," I should have omitted all allusion to it, if the Number I am writing had been destined to circulate only in this country. But a large proportion of my readers are of a nation which has not yet absolved itself from the tremendous sin of holding man as property. Of the difficulties in the way of such absolution, it is for them, not for me, to speak. My business is with principles. Those which have obtained my assent are offered in the subjoined note, and humbly commended to my foreign readers.* The

* PROPERTY is held by conventional, not natural, right.

As the agreement to hold man in property never took place between the parties concerned, i. e., is not conventional, man has no right to hold man in property.

LAW, i. e., the sanctioned agreement of the parties concerned, secures property.

Where one of the parties under the law is held as property by another party, the law injures the one or the other as often as they are opposed. More-

summary is placed there because I wish to introduce into the body of my text nothing w

over, its very protection injures the protected pas as when a rebellious slave is hanged.

Human labour is more valuable than brut bour, only because actuated by reason; for hu strength is inferior to brute strength.

The origin of labour, human and brute, is will.

The reason of slaves is not subjected to exer nor their will to more than a few weak motives.

The labour of slaves is therefore less valuable that of brutes, inasmuch as their strength is inferior; and less valuable than that of free labour inasmuch as their reason and will are feeble alienated.

Free and slave labour are equally owned by capitalist.

When the labourer is not held as capital, the pitalist pays for labour only.

When the labourer is held as capital, the capitalist not only pays a much higher price for an quantity of labour, but also for waste, negligence and theft, on the part of the labourer.

Capital is thus sunk which ought to be reduced.

As the supply of slave labour does not rise fall with the wants of the capitalist, like that of labour, he employs his occasional surplus on w which could be better done by brute labour or chinery.

By rejecting brute labour, he refuses facilities convertible husbandry, and for improving the lab of his slaves by giving them animal food.

is irrelevant to the state and prospects of British society. A stronger acknowledgment than this

By rejecting machinery, he declines the most direct and complete method of saving labour.

Thus, again, capital is sunk which ought to be reproduced.

In order to make up for this loss of capital to slave-owners, bounties and prohibitions are granted in their behalf by government; the waste committed by certain capitalists abroad being thus paid for out of the earnings of those at home.

Sugar being the production especially protected, every thing is sacrificed by planters to the growth of sugar. The land is exhausted by perpetual cropping, the least possible portion of it is tilled for food, the slaves are worn out by overwork, and their numbers decrease in proportion to the scantiness of their food and the oppressiveness of their toil.

When the soil is so far exhausted as to place the owner out of reach of the sugar-bounties, more food is raised, less toil is inflicted, and the slave population increases.

Legislative protection, therefore, not only taxes the people at home, but promotes ruin, misery, and death, in the protected colonies.

A free trade in sugar would banish slavery altogether, since competition must induce an economy of labour and capital; i. e., a substitution of free for slave labour.

Let us see then what is the responsibility of the legislature in this matter.

The slave system inflicts an incalculable amount of human suffering, for the sake of making a wholesale waste of labour and capital.

Since the slave system is only supported by legislative protection, the legislature is responsible for

of the blessedness of our penitent state, it is not in my power to make,—or I would make it. It may be that for centuries we may have to witness the remaining sufferings and degradation of those whom we have injured, and perhaps even yet to bear many painful consequences of our long transgression against the rights of man. But the weight of guilt is thrown off, the act of confession is made, and that of atonement is about to follow ; and all the rest may well be borne.

The next duty to reparation for injury is silence upon the sin : there is contamination in the contemplation of every indulged sin, even when the indulgence is past. Such a sin as this should be to a nation what an act of shame is to an individual—a remembrance to be strenuously banished, lest it weaken the energy which should press forward to better things. This should be one of the secrets known to all—a circumstance plunged in significant oblivion, like that in which the historians of the Jews have striven to bury the event of the crucifixion. May the consequences in the two cases, however, be as widely different as penitent and impenitent shame ! The wonder of succeeding ages at our guilt must be endured ; but it will not, let us hope, be made a by-word of reproach against us for ever. When kindred nations shall have been induced to share our emancipation, rebuke and recrimination may

the misery caused by direct infliction, and for the injury indirectly occasioned by the waste of labour and capital.

cease; the dead will have buried their dead, and the silence of the grave will rest upon them. If we now do our duty fully to those whom we have injured, even they may, perhaps, spare us all future mention of their wrongs. Meantime, it is an unspeakable blessing that, ignorant and unjust as we may still be in the distribution of the wealth which Providence gives us, there is now no crying sin connected with the methods of its production; no national remorse need now silence our acknowledgments of the bounty by which the gratification of human wishes is destined to advance, according to a law of perpetual progression.

PART II.

IN the early days of society, it is natural enough for men to take what they can find or make, without giving themselves any trouble about analyzing their wealth, or philosophizing about its distribution. When, however, the desires of some begin to interfere with those of others and production does not, in particular instances abound as was expected, and sudden and manifold claims for a provision arise, and can with difficulty be met, men necessarily begin, however late, to examine their resources, and investigate the demands upon them. Only very remote approaches to a true analysis may be made at first and the consequences of a hundred pernicious mistakes must probably be borne before any thing like a fair distribution can be so much as conceived of. But time and experience are certain to originate the conception, as is proved by the rise of the science of Political Economy and there is every reason to believe that time and experience will exalt the conception into action, and lead to a wise application of the splendid apparatus of human happiness which has been confided to the hands of society. Every mistake has hitherto issued in the furtherance of this end, according to the uniform plan under which the affairs of men are administered. I

has been discovered that the race cannot live upon labour without its reward, and that to be numerous is not of itself to be happy ; and there is a relaxation of effort to force the multiplication of the race. It has been discovered that land of itself is not wealth, and that our condition would be deplorable if it were so, since land does not improve of itself, but deteriorates as the race which subsists upon it is multiplied. It is discovered that money is not wealth ; that the tenants of different localities do not flourish at one another's expense ; and that wealth cannot be distributed according to the arbitrary pleasure of rulers. Many other ancient convictions are now found to be delusions ; and, what is better still, the grand principles are fully established which may serve as a key to all the mysteries relating to the distribution of wealth. Their application may require much time and patience ; but we have them safe. Their final general adoption may be regarded as certain, and an incalculable amelioration of the condition of society must follow of course.

These principles are two :—That, owing to the inequality of soils (the ultimate capital of society), the natural tendency of capital is to yield a perpetually diminishing return ;—and that the consumers of capital increase at a perpetually accelerated rate.

The operation of these principles may be modified to any extent by the influence of others : but they exist ; they are fully ascertained ; and must henceforth serve as guides to all wise

attempts to rectify an unjust distribution of wealth of society. It is difficult to conceive any sound mind can have withheld its assent to these grand principles, after they had once clearly announced. It is very evident that soils possess a far inferior power of producing food to others; and that, in the natural course of things, society will till the best soils first, then the next best, and then soils of the next degree, and so on, as the demand for food increases; and that, as each adopted soil will yield less than the last, every application of capital will yield a smaller return—all applications of capital being regulated by the primary application of capital to land. It is difficult to see how this general principle can be disputed, however much it may be the allowance required for the influence of other principles. Improvements in tillage, yet undreamed of, may increase the produce of the soil calculably; but this increased produce will be subjected to the same law. There will be inequality of improved as of unimproved soil. New powers, chemical and mechanical, may be brought to bear on the soil for ever and ever, and still the same law must hold good, for there is an original inequality in the materials which those powers are employed. Whether we obtain our food from the sea, or from new resources of the earth,—if we could fetch it down from the moon, or up from the centre of the globe, the same principle must hold good as long as there are limited and varying facilities for obtaining food, and an increasing demand for it.

labour and more would be given to answer each new demand; and the return would still be less, till it came to a vanishing point.

If this labour were that of stocks and stones in the service of a reasonable number of men, the simple fact would be that this reasonable number of men must live upon the produce of the labour already set in motion. But the labour in question is human labour, which eats in proportion as it works, and multiplies itself faster by far than it can augment its supply of food. The proprietor of a field feeds his five children from it, till they each have five children, and each of these five children in their turn. Does the produce of the paternal field augment itself five times, and then twenty-five times, to suit the growing wants of the new generations? It may possibly be made to yield double, and then three times, and then four times what it once did; but no kind or degree of skill can make the ratio of its productiveness the same as that of human increase. What primary rule of practice follows from the combination of these two principles?

The increase of population is necessarily limited by the means of subsistence.

Since successive portions of capital yield a less and less return, and the human species produce at a constantly accelerated rate, there is a perpetual tendency in population to press upon the means of subsistence.

The ultimate checks by which population is kept

down to the level of the means of subsistence, a vice and misery.

Since the ends of life are virtue and happiness these checks ought to be superseded by the mild methods which exist within man's reach.

These evils may be delayed by promoting the increase of capital, and superseded by restraining the increase of population.

Towards the one object, a part of society may do a little ; towards the other, all may do much.

By rendering property secure, expenditure frugal, and production easy, society may promote the growth of capital.

By bringing no more children into the world than there is a subsistence provided for, society may preserve itself from the miseries of want. In other words, the timely use of the mild preventive check may avert the horrors of any positive check.

The preventive check becomes more, and the positive checks less powerful, as society advances.

The positive checks, having performed their office in stimulating the human faculties, and originating social institutions, must be wholly superseded by the preventive check before society can attain its ultimate aim,—the greatest happiness of the greatest number.

However the wealth of society may be distributed,—whether among the three classes who, at present, in all civilized countries, divide it, or among the partakers of a common stock, (according to the desire of some who mourn our evils, and look, as others think, in a wrong place for the remedy),—however the wealth of society may be distributed, the above principles are of *the highest concern* to the whole of society.

Some may feel sooner than others the pressure of population against the means of subsistence ; but it ultimately concerns all, to the last degree, that there should be subsistence for the race. This consideration is prior to all others which relate only to the modes and degrees in which wealth shall be shared by various classes. There is little wisdom in fixing a scale of enjoyments while society is laid open to vice, disease, and death,—the awful retribution for a careless administration of the common possession.—Yet the policy of rulers,—of rulers by office and by influence,—has, till very lately, been to stimulate population without any regard to the subsistence provided for it. The plea has always been that every man born into the world brings with him the labour which will support more than himself : but each must also bring with him the land on which his labour is to be employed, or he may find it no more possible to live upon labour than to live upon air. There is never any fear that population will not increase fast enough, as its increase is absolutely determined by the existing means for its support. But there is a perpetual danger that it may increase too fast for the purposes of the ruler ; and, for what has but too seldom entered into his purposes,—the happiness of his people. If he looks to the narratives of wars, he may find that the subsistence of armies has always failed sooner than men, though its armed force can never compose more than a small portion of any nation. He will find in the history of every state that when the over-pres-

sure of the people upon its food, partially ~~and~~ most painfully kept down by the death of ~~its~~ infants and its aged, and of those who have grown sickly through want, has been yet more fearfully relieved by the agency of famine and pestilence, a new impulse is invariably given, far more efficacious than the bidding of any sovereign. It is folly, he may thus see, to lash the dull tide of a swollen river when banked up so that it cannot flow; and when a portion of its waters are drawn off, the stream runs fast enough of itself. If the power of a ruler were to be estimated by the rate at which he could induce the increase of his subjects, which would be the most powerful,—the Emperor of China or the King of Hayti? The Haytian empire is insignificant enough in comparison of the Chinese; but the Haytian king sees his subjects multiplying, amidst their superabundance of food, at a rate hitherto unsurpassed; while the Chinese can multiply no more till they can enlarge the extent of their food. Under the stimulus of royal promises, children may be born; but by the command of a higher authority, they die. The laws of nature are too strong for kings. In this case, the bidding is either needless or unavailing.

Any power of stimulus which rulers possess should be otherwise applied,—to the production of subsistence. If the plain rule were followed, of making increased subsistence *precede* an increase of population, the great work of the distribution of wealth would follow its own natural *laws*; and men would only have to participate and

be content. When the final cause of the arrangement by which population has been ordained to press against the means of subsistence shall have wrought its work in stimulating the human faculties, and opening up new resources to the race, there will be as ample an enjoyment of the blessings of life as the warmest advocate of numbers can desire,—an enjoyment infinitely greater for the absence of all deadly struggle or pining desire for a due share of the bounties of nature's mighty feast.

At present, however, while we have the pride of luxury within our palaces, and famine at their gates, it is necessary to ascertain how the two principles announced above affect the distribution of the wealth of society.

The uncontrolled operation of these principles will be found the main cause of the tremendous inequality of possession in society; and if society wishes to put an end to such inequality, it must be done by suiting the proceedings of society to these principles, and not by any temporary measures. If the possessions of the richest of our peers were to-morrow to be divided among the poorest of our operatives and country labourers, no permanent relief to the latter class would be obtained by beggaring the former, and the same principles would go on working, the day after, to produce in time precisely similar results. Even if it were the practice with us, as it was with the Jews, that land should revert to the original possessors, at certain fixed periods, the same laws would work; and to even greater

disadvantage than now, as the land-owners would not be so rich, while the labourers would be quite as poor. Property would run less into masses; but there would be less wealth to be amassed. There is no use in opposition to these principles, or in discontent at their natural results. The true wisdom is in modifying the results by practically recognizing the principle. We must control the rise of rent by stimulating agricultural improvements, and preventing the demand for food from outstripping them. We must moderate the pressure upon the subsistence, or wages fund, by regulating the numbers who are to share it. We must moderate the pressure against the profits fund, by keeping the demands upon the wages fund within due bounds.*

* It is well known that there are persons in this country, as in France and elsewhere, who hold the opinion that the evils of unequal distribution would be annihilated by annihilating the distinctions of rent, profits, and wages; making the whole society the sole land-owner and capitalist, and all its members labourers. It is impossible to doubt the benevolent intentions of the leading preachers of this doctrine, whose exertions have originated in sympathy with the most suffering portion of the community; but it is equally impossible to their opponents to allow that any arbitrary arrangements of existing resources can exclude want, while the primary laws of proportion are left uncontrolled. When the advocates of a common stock can show that their system augments capital and regulates population more effectually than the system under which individual property is held, their pretensions will be regarded with more favour than they have hitherto engaged. At present, it is pretty evident that in no way is capital so *little likely* to be taken care of as when it belongs to

The wealth of society naturally distributes itself between two classes of capitalists, from one

every body,—i.e. to nobody; and that, but for the barriers of individual rights of property, the tide of population would flow in with an overwhelming force. There may be an age to come when the institution of property shall cease with the occasions for it; but such an age is barely within our ken. Meantime, our pauper system exhibits the consequences of a promise of maintenance without a restriction of numbers by the state. If it were possible now to establish common-stock institutions which should include the entire community, they would soon become so many workhouses, or pauper barracks. If any one doubts this, let him ask himself how capital is to be husbanded and cherished when it is nobody's interest to take care of it, and how population is to be regulated when even the present insufficient restraints are taken away. If education is to supply the deficiency of other stimuli and restraints, let us have education in addition. We want it enough as an addition before we can think of trying it as a substitution. We must see our fathers of families exemplary in providing for their own offspring before they can be trusted to labour and deny themselves from an abstract sense of duty. As for the main principle of the objections to the abolition of proprietorship, it is contained in the following portion of one of my summaries of principles:—

It is supposed by some that these tendencies to the fall of wages and profits may be counteracted by abolishing the distinctions of shares, and casting the whole produce of land, capital, and labour, into a common stock. But this is a fallacy.

For, whatever may be the saving effected by an extensive partnership, such partnership does not affect the natural laws by which population increases faster than capital. The diminution of the returns to capital must occasion poverty to a multiplying

of which a portion descends to a third class,—the labourers. The two classes of capitalists are, first, the owners of land or water,—of the natural agents of production,—and next, the farmers of land or water, or those who employ, by the application of capital, the natural agents of production. Each of the three classes obtains his share by purchase,—original, or perpetually renewed—the landowner by the secondary or hoarded labour of his ancestors or of his youth; the capitalist by hoarded labour, and the purchased labour of his servants; and the labourer by primary labour. The landowner receives his share as rent; the capitalist as profits; the labourer as wages.

Real RENT is that which is paid to the landowner for the use of the original, indestructible powers of the soil. The total rent paid by a farmer includes

society, whether those returns are appropriated by individuals under the competitive system, or equally distributed among the members of a co-operative community.

The same checks to the deterioration of the resources of society are necessary under each system.

These are, (in addition to the agricultural improvements continually taking place,)—

1. The due limitation of the number of consumers.
2. The lightening of the public burdens, which at present abstract a large proportion of profits and wages.
3. A liberal commercial system which shall obviate the necessity of bringing poor soils into cultivation.

also the profits of the capital laid out by the landowner upon the estate.

Land possesses its original, indestructible powers in different degrees.

The most fertile being all appropriated, and more produce wanted, the next best soil is brought into cultivation; then land of the third degree, and so on, till all is tilled that will repay tillage.

An unequal produce being yielded by these different lands, the surplus return of all above the lowest goes to the landowner in the form of rent.

The same thing happens when repeated applications of capital are made to the same land for the sake of increasing its productiveness. The produce which remains over the return to the least productive application of capital goes to the landowner in the form of rent.

RENT, therefore, consists of that part of the return made to the more productive portions of capital, by which it exceeds the return made to the least productive portion.

New lands are not tilled, and capital is not employed for a less return, unless the produce will pay the cost of production.

A rise of prices, therefore, creates, and is not created by, rent.

When more capital is employed in agriculture, new land is tilled, a further outlay is made on land already tilled; and thus also rent arises from increase of capital.

When capital is withdrawn from agriculture, inferior, *i. e.* the most expensive soils, are let out of cultivation; and thus rent falls.

A rise of rent is, therefore, a symptom, and not a cause, of wealth.

The tendency of rent is, therefore, to rise for ever in an improving country. But there are counter-acting causes.

Art increases production beyond the usual returns to capital laid out : prices fall in proportion to the abundance of the supply, and rent declines.

Improved facilities for bringing produce to market, by increasing the supply, cause prices to fall and rent to decline.

COMMODITIES, being produced by capital and labour, are the joint property of the capitalist and labourer.

The capitalist pays in advance to the labourers their share of the commodity, and thus becomes its sole owner.

The portion thus paid is WAGES.

REAL WAGES are the articles of use and consumption that the labourer receives in return for his labour.

NOMINAL WAGES are the portion he receives of these things reckoned in money.

The fund from which wages are paid in any country consists of the articles required for the use and consumption of labourers which that country contains.

THE PROPORTION OF THIS FUND RECEIVED BY INDIVIDUALS MUST MAINLY DEPEND ON THE NUMBER AMONG WHOM THE FUND IS DIVIDED.

The rate of wages in any country depends, therefore, not on the wealth which that country contains, but on the proportion between its capital and its population.

As population has a tendency to increase faster than capital, wages can be prevented from falling to the lowest point only by adjusting the proportion of population to capital.

The lowest point to which wages can be permanently reduced, is that which affords a bare subsistence to the labourer.

The highest point to which wages can be permanently raised is that which leaves to the capitalist just profit enough to make it worth his while to invest capital.

The variations of the rate of wages between these extreme points depending mainly on the supply of labour offered to the capitalist, the rate of wages is mainly determined by the sellers, not the buyers of labour.

The produce of labour and capital, after rent has been paid, is divided between the labourer and the capitalist, under the name of wages and profits.

Where there are two shares, each determines the other, provided they press equally upon one another.

The increase of the supply of labour, claiming reward, makes the pressure in the present case unequal, and renders wages the regulator of profits.

The restriction of the supply of food causes the fall of both profits and wages.

The increased expense of raising food enhances its price: labour, both agricultural and manufacturing, becomes dearer (without advantage to the labourer): this rise of wages causes profits to fall; and this fall brings after it a reduction of the labourer's share, or a fall of wages.

The fall of profits and wages is thus referable to the same cause which raises rent;—to an inequality in the fertility of soils.

Thus it appears that, owing to the inequality of soils, and the principle of increase in the number of consumers, the natural tendency of rent is to rise; and to rise in proportion to the increase in the number of consumers. The ten-

dency of profits is to fall as rent rises, i. e. as the production of food becomes more expensive. The fall of profits brings after it, as a necessary consequence, the fall of wages; and the individual shares of wages are still further reduced by every increase of the numbers among whom the wages' fund is to be divided.

These are important truths, and by no means discouraging, if we know how to make use of them. There is no need hastily to suppose that our landowners must inevitably get all the wealth of society into their own hands, so that there will in time be only two classes in the state,—landowners and paupers. It is possible that this might happen, as it is possible that we may all die of famine from nobody choosing to be at the trouble of tilling the ground. The two cases are possible, and the catastrophes about equally probable. No one can deny the strong tendency to famine to which we are all liable unless we exert ourselves to avoid it; and the undue rise of rent, and fall of profits and wages, is quite as certainly avoided by moderate caution—by bringing natural laws to bear upon each other, and not (as some desire) a law of human will to control that which is beyond the reach of the unassisted human will.

Some who toil and earn but little recompense cry out upon the wealth of the landowners, and desire a law which shall forbid their receiving more than so much for a certain quantity and quality of land. A law that men should not die *in a famine* would be as much to the purpose.

The way to prevent men dying of hunger is to sow grain for them; and the way to prevent the landlords growing unduly rich is to provide more food;—whether by improving the methods of tillage at home, or inventing and improving productions of other kinds which may exchange for food from abroad. Another way is by making machinery (which does not eat and drink) supersede human labour, so that we may have the increased production without the accompanying consumption; but the most certain method of all, and that which is in the power of all, is to proportion the number of consumers to the existing supply of food. As soon as this is done, rents will be stationary, and will be certain to fall after the next improvement in tillage or manufacture. Meantime, the landowner can no more help the rise of his rents than the poorest operative in the next town; and, in fact, not so much, if that operative is bringing up a large family to depreciate the value of labour, and increase the excessive pressure upon food. The landlord, meantime, declares truly that he is growing no richer. He is told that his rents have risen since such a time; but (from various causes) his tenants cannot pay the whole; and he is besides burdened with the maintenance of the indigent who have been pauperized by the undue depression of wages. No one would be more glad than he, to have his rents nominally lowered so that he might receive the whole, and do what he pleased with it. No one would be more glad than he, if he be wise, at the tidings of fresh discoveries in

science or inventions in art, or of new resources opened beyond sea, or of increased providence in the habits of the poorer classes, which should cause his income to fall with the price of food, but render his lessened income more secure.

It is of even greater consequence to ascertain the relative position of the other two parties, since any quarrel about their respective shares cannot but cause a diminution of that which is to be divided between them. Each party being dependent upon the other, any interruption of their harmony cannot but be injurious to both: but dissension is especially disastrous where, as in the present case, the dependence is unequal. The capitalists have the great advantage over the labourers of being able to wait longer for the adjustment of disputes which may arise between them. Deplorable as are the consequences to individuals and to society of living upon capital from the absence of revenue, the case of those who are driven to live upon their capital is, at least, better than that of the party which has no capital to live upon.

The consequence of this inequality of dependence is that power of a different kind is more frequently put in action by the more dependent than by the less dependent party. The power of combination to obtain a larger share of the subsistence fund is in the hands of both parties, and is occasionally used by both; but much more frequently by the labourers than by the capitalists. *For this* there are obvious reasons.

If the proportion of labour to capital be equal, there is little inducement to either party to quarrel with the other, as their shares of gain are balanced: but if any capitalists choose to press upon the labourers, it is to their own ultimate disadvantage, as well as that of the labourers; for there can never be a combination so extensive as to include all capitalists; and those who are not included will find it their interest to lower the prices of their commodities, paying the same wages as the united capitalists, and being content with the ordinary rate of profit. By means of this underselling, the extraordinary rate of profit is necessarily brought down, and the capitalists are just as they were at first, the reduction having fallen upon the wages of the labourer. Matters can seldom, however, proceed so far as to the infliction of this gratuitous injury. If the proportion of labour to capital be equal, a very short resistance of the labourers to the reduction of their wages suffices to make the capitalists repent of their endeavours to grasp more than their share: and such endeavours are consequently extremely rare where capital and labour are duly proportioned.

If there be a superabundance of capital, the capitalists are in no condition to gain any thing by combination. To pay high wages answers better to them than to live upon their capital. In such a case, therefore, the capitalists never combine.—Or rather,—and I say it with sorrow,—if such a case should arise, they would not combine. Such cases can scarcely be spoken of

in this country as matters of actual experience, since there are but too few instances of capital being abundant in proportion to labour.

On the third supposition,—that labour abounds in proportion to capital,—there is no need for the capitalists to use their power of combination. They can obtain what they want without it. The labourers are the weaker party, inasmuch as they must have food, and depend on the capitalists for it:—not for the quantity;—that depends on themselves,—on the numbers they bring to divide a certain quantity;—and the capitalists can resist their claims no further than to secure the rate of profit, without which no capitalist would do business. Not for the quantity of food to each man do the labourers depend on the capitalists; but for the purchase of their labour at all; and therefore, the capitalists do not need to combine when labour superabounds.

For the same reasons, the labourers do not need to combine when capital superabounds. They can naturally obtain as large a share of the subsistence fund as will leave ordinary profits to the capitalist: and this happens of course, as is well known from the examples of newly settled countries, and newly invented manufactures, where the profits of the capitalist are invariably prevented by the "dearness of labour from much exceeding the ordinary rate.

In cases of equal proportion, the labourers run even a greater risk from a strike than the capitalists. Some of the capitalists will, if the balance be exact, withdraw their capital from

business rather than stand a strike ; and thus is caused an immediate superabundance of labour, with all its disadvantages to the labourers. But if no capitalist withdraws, the waste of capital necessarily caused by a strike causes also a superabundance of labour ; and thus also the labourers suffer for having destroyed the balance.

But when combination is resorted to in the absence of all other power, its results are the most disastrous to the weak party which employs it. The labourers who superabound are already at a disadvantage, which can only be increased by any resistance which helps to impoverish the capitalists. They may injure the capitalists by impairing the capitalists' share of the subsistence fund : but they injure themselves much more by impairing, at the same time, the labourers' share. That such means of injuring capitalists are ever resorted to in such a condition of affairs proves most forcibly that the largest of the parties concerned is not yet fully aware how the case stands, and that a far greater power of competition with the capitalists is lodged with them than that which they are too ready to employ to the injury of both parties and the good of neither.

If it had been, indeed, true that, by any natural laws of distribution, any class of society could be placed in a position of necessary and permanent inferiority of rights to any other class, all writers on the philosophy of society would have shrunk from relating any fables which must convey so sad a moral. But there is a very cheering moral involved in every melancholy story that

we hear of the contentions of masters and men, and of the sufferings which thence arise. The fact is that, so far from the masters having any natural power,—even if they had the wish,—to oppress the working classes, the working classes hold a power which may make them the equals in independence of any class in society. That they have not yet used it is less their fault than their misfortune. Whether fault or misfortune, it is destined to be remedied, if we may trust to experience working its invariable work, and communicating that wisdom and power which can by no other means be gained. The only control over the price of labour resides with those who can control its quantity. Overstock the market with labour, and the most compassionate of capitalists can do nothing to prevent its being ill rewarded. Understock the market with labour, and the veriest miser that ever employed gold for profit cannot prevent labour fetching a high price. And with whom does it rest to overstock or understock the market with labour? With whom does it rest to determine whether the subsistence fund which exists shall be divided among a moderate number or among a scrambling multitude? Most assuredly not with the capitalists but the labourers.

When the labouring class fully comprehends the extent of the power which it holds,—a power of obtaining not only its own terms from the capitalists, but all the necessities and comforts of life, and with them the ease and dignity which *become* free-born men, they will turn their other

power of combination to better purposes than those of annoyance and injury. The common plea of those labourers who already understand their own case is that there is little use in scattered individuals being careful to proportion their families to their means of subsistence, while the greater number multiply thoughtlessly, and prepare for new encroachments on the subsistence fund. The same plea has been in use for ever on the first proposal of any great social amelioration ; and it has ever been found that amelioration has followed with unexpected speed upon the virtuous efforts of scattered individuals. They work round to each other, they combine, they bring others into the combination, and these again bring more, till there are hundreds of followers for every leader, and for every follower there is a foe the less. Why should it not be so with this greatest of all ameliorations that has ever been proposed ? If the working classes can still combine for objects which have been a thousand times proved unattainable or hurtful when attained, why should they not combine for purposes of providence and mutual support in a better system of economy ? Such combinations have already begun ; for every society which has for its objects the economy of the resources of the working people, and the encouragement of provident habits, is a society for limiting the population within the means of subsistence. Many such associations are so well founded as to give assurance that they will be persevered in ; if persevered in, it cannot be very long before some one

class or band of labourers feels the benefits of prudence, and exhibits the truth that moderate self-denial in one direction brings means of rational indulgence in others: and when this happens, the work of amelioration will be fairly begun. The working men's day will be at hand, and no one will hail it more joyfully than the capitalists;—for willingly would they exchange such power as is given them by the helplessness of their labourers, for security against the waste of capital which is caused by the opposition of their work-people and the pauperism of their dependents.

Combinations of labourers against capitalists (whatever other effects they may have) cannot secure a permanent rise of wages unless the supply of labour falls short of the demand;—in which case, strikes are usually unnecessary.

Nothing can permanently affect the rate of wages which does not affect the proportion of population to capital.

Legislative interference does not affect this proportion, and is therefore useless.

Strikes affect it only by wasting capital, and are therefore worse than useless.

Combinations may avail or not, according to the reasonableness of their objects.

Whether reasonable or not, combinations are not subjects for legislative interference; the law having no cognizance of their causes.

Disturbance of the peace being otherwise provided against, combinations are wisely therefore now left unregarded by the law.

The condition of labourers may be best improved,—

1. By inventions and discoveries which create

capital; and by husbanding instead of wasting capital;—for instance, by making savings instead of supporting strikes.

2. BY ADJUSTING THE PROPORTION OF POPULATION TO CAPITAL.

This is not the place in which to show how tremendous is the waste of capital in a turn-out; nor have I been able to do it in that one of my fables which treats of combinations of workmen. I felt myself bound to present the fairest instance, in order to show the badness of the principle of a strike in the best case; but I have the means of showing, if I had but the space, that the members of a combination are often—are commonly—the victims of a far more despotic tyranny than they themselves ascribe to the masters, and a more ruinous spoliation than the discontented suppose the rich desirous to inflict upon the poor. I trust and believe that there are many William Allens among the class of operatives; but I also believe that few of these are leaders of strikes. Allen was an unwilling leader of a strike; and there are many who see even more clearly than he did the hopelessness and mischievousness of the contest, who have either more selfishness to keep them out of it, or more nerve to make a protest against a bad principle, and a stand against a bad practice. I believe that the most intelligent and the best men among the working-classes now decline joining a turn-out; and it is very certain that not only the most ignorant, but the worst, are among the first to engage. The reasons for this will be

sufficiently obvious to those who consider what facilities these associations afford for such practices as ignorant and bad men like,—for meddling and governing, for rioting, for idling, and tippling, and journeying, and speechifying at other people's expense. No better occasion could be devised for exposing the simple, and timid, and unwary to be robbed, and jobbed, and made tools of by a few sharpers and idle busybodies. It is very certain that three or four individuals have often succeeded, for their own purposes, in setting three or four hundred, or thousand, better men than themselves at enmity with their masters. It is difficult to imagine a case of more spirit-rousing hardship than that of the labourer who is compelled or inveigled into a contest which he knows, or may know, to be bad in principle, and hopeless in its issue,—who must, against his will or his reason, give up a subsistence which is already too scanty, in order that he may find it still further reduced when he returns to it. In consideration of such cases, which everybody knows to be very common, I shall state a few facts, which may assist and strengthen the determination of some who may be striving against the now prevalent disposition to strike for wages. The circumstances of the time will excuse a disproportioned enlargement on a very obvious point.

In order to bring the principle of strikes to the test, we have only to ask whether they increase capital or check population?—one or other of which they must do if they are to benefit the

struggling party. It is known to everybody that they do neither; but it is not so well known that they do the direct contrary,—that they not only waste capital, but increase the supply of labour, the very thing of which there is already too much. They do this by driving the capitalists to find those silent labourers who never ask subsistence or refuse their masters' bidding—the machines, which are the workmen's abhorrence. It is unreasonable as it is vain to abhor machinery; and that its use is facilitated by strikes will be regarded hereafter as one of the few compensating circumstances which arise out of the miseries of such a struggle for power or for bread. But, however great may be the ultimate good of this issue, the issue is certainly the very reverse of that contemplated and desired by those who turn out. Yet the time is come for them to meet it; and they will do well to take heed to the state of the labour-market at this period.

After long depression and many fluctuations, it appears that there is a revival of a steady demand for labour. The condition of our capitalists is, however, different from what it was in most former periods of prosperity. They are now busy; but they work for very low profits in almost every branch of manufacture or trade. Their men must also work hard for little pay, till some of the many circumstances which tend to raise profits shall have occurred. Never, however, were our working-class less disposed to take the low wages which alone the masters are able to give. Combinations to secure a rise are

everywhere spreading, and grand preparations are thus making for securing a fall. The low profits of the masters will not stand encroachment. There is a brisk foreign competition, which forbids trifling with any present demand. Under these circumstances, if our working men choose to stand idle, what remains to be done but to use machinery to the utmost extent that ingenuity can devise on the spur of a great occasion? The quantity of human labour already thus superseded is very considerable; and there will be more, in proportion to the failure of harmony between capitalists and labourers, till not a visible chance is left for the employment of half our working men in the way they themselves propose. Happy will it be for them if the usual consequences of the improvement of machinery follow in the extension of our manufactures, so that there may still be room for such as can learn a new business! and happy will it be for them if they have become convinced, in their time of hardship, that to moderate the supply of labour is the only way of securing its desired recompense!

The following case illustrates the method by which human labour is driven out of demand: it is only one of many which have arisen out of the tyranny of the leaders of strikes, who, not satisfied with turning out themselves, compel their weaker, but reluctant, brethren to be idle also. In the case in question, the turning out of the head spinners in a cotton factory, compelling the idleness of six or seven work-people subordi-

nate to each spinner, has led the head spinner's master to find that he can do without him, and the six or seven subordinates to rejoice in their freedom from dependence on his movements.

Six or seven different machines are employed in the production of cotton-yarn from raw cotton. All but the last are called "preparation machinery," and one person waits upon each. The office of this preparation machinery is to form the raw cotton into a thick and tender thread, called a "roving." The office of the last machine is to twist and draw out the roving into a finer and stronger thread: this operation is called "spinning," and the spun thread is "yarn." This machine is called the "hand-mule." Hand-mules are worked in pairs, each pair requiring the head spinner above-mentioned to direct its operation, and two or more children to place the rovings in the machine, and piece the threads that break.

The head spinner, though paid in proportion to the superiority of his work, has always been the one to turn out; and his subordinates must go with him of necessity, however averse they might be to do so. It was not to be borne that the discontents of the comparatively few should derange the whole manufacture, and deprive the many of their bread; and nothing could be more natural than for some expedient to be sought by which the masters and the subordinates might be made independent of the head spinners. Twenty years ago, attempts were made to invent some apparatus which might be attached to the mule, and discharge the spinner's task. The apparatus

first used was either too complex or too uncertain in its operation to answer the purpose; and, as often as it failed, the spinners clapped *their* hands, believed the manufacture more in their power than ever, and advanced in their demands accordingly. They went somewhat too far in 1824, when they refused very high wages, and droye the Manchester capitalists to vigorous measures of self-defence. The requisite talent was sought and found for the object required; and, early in 1825, a patent for the "self-acting mule" was taken out, nothing being wanting to its efficacy but the simplification which time and practice were sure to bring, and which would lessen its cost so as to qualify it for common adoption. No sooner had it been set to work, and begun to gain reputation, than a great part of the establishment where it was in use was destroyed by fire, and the machine was not heard of for some months. As soon as it began to be again attended to, so great a stagnation of trade took place, that the spirit of the spinner was subdued: the master was unwilling to mortify him in his distress, and all mention of the self-acting mule was dropped. This was very hard upon the patentees, who had been originally forced into the business, and had spent, not only much time and pains, but a great deal of money on the invention. They rightly supposed, however, that the head spinners would give them their turn on the first opportunity. They went on improving and improving their invention, *while awaiting* another strike on the revival of

trade. This happened at the close of 1829 ; and then several leading houses provided themselves with each a pair of self-acting mules, by way of trial : but the adoption of the machine went on languidly till the great strike of 1831 achieved its triumph. It is now used in upwards of fifty mills, and seems likely soon to be adopted in all others. The head spinners have not a chance against it ; for it not only saves their wages, and leaves their subordinates at peace, but does their work better than they could do it themselves ;—an unexpected result with which the perseverance of the inventors has been rewarded. The quantity of yarn is greater than could before be produced in the same time and with the same number of spindles : the yarn is of greater strength and more uniform quality ; there is a material saving of waste in the subsequent processes, from the regularity with which the yarn is wound on the spindle ; and, from the same cause, a greater quantity of a better fabric than before issues from the loom of the weaver.

This story preaches its own moral. Every one ought to be glad to hear of improvements in the comforts of mankind ; but all would rather pay any other purchase-money for them than the subsistence of a useful and often suffering class of society. It is in the power of our working class to provide that all such improvements shall henceforth arise otherwise than through their opposition, and for their destruction. With them rests the choice of controlling the labour-market on the one hand, and pauperism on the other.

If no moral reaches us from the long tragedy of pauperism which has been enacted before the eyes of many generations, we are past teaching. For the last three generations, especially, the state of the indigent has been an object of primary attention to all classes in our society. Statesmen have legislated, magistrates have administered, the clergy have preached, tradesmen and manufacturers have contributed, the farmers have been burdened: almost the sole employment of women, next to the care of their own families, has been the charge of the poor; almsgiving has been the first virtue to which infant enthusiasm has been roused, and charity, in this sense, has been made the test of moral sincerity and religious proficiency. And what has all this done for society? The number of the indigent has increased from day to day, and at a perpetually increasing rate, till it has absorbed, in a legal charity alone, nine millions per annum of the subsistence-fund, which is the clear right of the independent labourer. It is no small consideration that the habitually indigent become, as a matter of course, as their doom, the most profligate portion of society. But this fearful consideration is not all. We not only defraud the industrious classes of their due, now tempting and now forcing them down into a state of indigence, and by the same act condemning them to hopelessness and vice, but we, at the same time, put in motion an apparatus of moral evil among every class which has to communicate with the *indigent*, which would bear down the preaching

of the twelve apostles themselves. If account could be taken of the unjust partialities of magistrates, of the abuse of power by open vestries, and the jobbing by select vestries; of the heart-wringing oppression sustained by the tradesman and farmer; of the open licentiousness and concealed fraud, the ungodly conspiracies and diabolical hatreds nourished by our system of legal charity, and the daily repeated, cruel injustice inflicted by our methods of public and private charity, we might well doubt whether some fiend had not been making sport of us under the holy semblance of charity. It may be doubted whether the most profligate tyranny ever broke or depraved so many hearts as the charities of our Christian nation. If our practices are to be judged by their fruits, there are none, next to slavery, for which we need so much pardon as for our methods of charity.

There is no use in pleading our good intentions. The fathers of the Inquisition are ever ready with their plea of good intentions. The parent who breaks the spirit, and thus annihilates the moral liberty of his child, does it with the best intentions. The manœuvrer tells twenty lies a-day with the best intentions. There is, perhaps, no crime in whose defence good intentions may not with sincerity have been pleaded. The question is why, with evidence that we were wrong, daily and hourly before our eyes, we did not mend our methods. Thence arises the moral of this dreary lesson, that virtue, whether beneficence or any other, does not consist in formal and arbitrary practices, but in conformity to vital

principles. Without regard to this essential truth, virtue may turn to vice before we are aware; and as a proof of it, we have been doing the pleasure of fiends under a persuasion that we were discharging the duty of Christians. We have exercised self-denial in our charity: but so did Simeon Stylobates in his piety, when he lived on the top of a pillar. We have toiled and suffered in our charity: but so did the pilgrims who walked with peas in their shoes to the sepulchre. Their piety and their sufferings were a mockery of Him they worshipped; and our charity has proved a scandal to the religion we profess. What follows? Not that piety and charity are a mockery and a delusion; but that Simeon did not understand the one, and we have most assuredly mistaken the other.

One essential distinction between a comparatively rich and poor society is in the moral right which individuals have to dispose of their money in certain modes. Where capital abounds in proportion to the consumers, individuals are fully justified in giving away in whatsoever form and to whomsoever they please; as they give away that which leaves nobody destitute. But in a society where population abounds in proportion to capital, to give food and clothing to the idle while the industrious are debarred from earning it, is to take subsistence from him whose due it is, to give it to one who has no claim. Thus to violate justice can be no true charity. Where consumers abound in proportion to capital, it is obvious that the way to bestow most happiness is, *not to take away one man's share to give it to*

another, but to do what is possible towards creating another share in such a way as not to cause more want. In other words, almsgiving is the mode of charity appropriate to one state of society, and the establishment of provident associations, and the encouragement of emigration, and especially of education, are the modes of charity appropriate to another state of society. We have need enough of charity in our present state ;—with hundreds of thousands of paupers in our parishes, and of half-starved artizans in our towns, and broken-spirited labourers in our villages. We have need enough of charity,—of the time of such as have leisure, and of the attention of the thoughtful, and of the exertions of the active, and of the wealth of the opulent. All these will be too little for the removal of the evil which our own mistakes have caused. We have need enough of charity ; and if we would learn how to apply it, there are those among the sufferers who can instruct us. There is in existence a letter from a poor operative living in a district where charities of food and clothing abound, entreating the influential parties whom he addresses to put an end to the almsgiving which leaves no chance of a just provision to the high-souled working man. There is in existence a petition from a body of agricultural labourers to the House of Lords, last year, praying for the abolition of legal charity which condemns the labourer to starvation or degradation. These documents are signs of the times which are not to be mistaken, and which may well strike us

silent with shame at our incessant complaints of the poor for having lost their spirit of independence, and become a degraded race. Where is our Christian charity, when we first wrest from them their independence, and then taunt them with the loss ? when we invite them to encroach, and then spurn them for encroaching ?

Even from this enormous evil, however, good is at this moment arising. The rapid, the appalling increase of the mischief has directed the general attention towards it ; and the two grand principles with which we set out afford the suggestion of remedies which are actually in preparation. It is now many years since certain commissioners, appointed by the French government to investigate our pauper system, pronounced it the great political gangrene of England, which it was equally dangerous to remove and to let alone. The mischief has been on the increase ever since, and yet there is hope of cure. If it were not that we had sound principles to go upon, —if we had all this vice and misery on our hands to be got rid of we knew not how, our condition would indeed be deplorable. But, once having got hold of the truth that ours is a society where labour abounds in proportion to capital, we know at least how to look about for a remedy, and with what aim to direct our proceedings. We must lessen the inducements to indigence, (strange that such should exist !) by making the condition of the pauper inferior to that of the independent labourer, and ensure its remaining *universally* so by appointing a rigid, impartial,

and uniform administration of the funds of our legal charity. Every diminution of the inducements to indigence is necessarily an increase of the inducements to independence; both by giving the right bias to the inclinations of the labourer, and by saving a portion of the subsistence-fund.

In proportion to the savings effected in the subsistence-fund by a rigid administration of the legal charity, the surplus labour of our parishes will be absorbed; and if, by a wise scheme of emigration, the disproportion between our capital and labour can be still further reduced, a way will be open for the total abolition of a legal charity,—the most demoralizing agency, perhaps, which can be introduced into any state,—a curse beneath which no society can prosper. We shall then be at liberty to apply our charity wholly to that object which should now be uppermost with all the truly benevolent,—to prevent indigence instead of providing for it, in the full confidence that “accidental cases will be relieved by accidental succour.” There are many who believe that an immediate abolition of our legal charity would cause less misery than its long continuance: but there is happily no occasion to contemplate the alternative. There is a strong hope afforded by various instances of partial reformation that a way remains for us out of our difficulties,—toilsome and painful, no doubt, but practicable and safe;—a way of so rectifying the administration of our poor-laws as to give us the power of at length abolishing them. Honoured

be the rulers who shall set us forward on this path; and blessed be every one who bestirs himself to remove obstructions by the substitution of a true for a spurious charity!*

Here is the statement of the evil and of one of the appropriate remedies.

In a society composed of a natural gradation of ranks, some must be poor; *i.e.* have nothing more than the means of present subsistence.

Any suspension of these means of subsistence,

* If a rebuke were needed for despondency respecting the prospects of society, it might be found in the experience of the change which a few months have wrought in the popular convictions as to the true direction of charity. Fifteen months ago, it required some resolution to give so much pain to kind hearts as was occasioned by such exposures as those contained in "Cousin Marshall," and yet more to protest against poor-laws for Ireland. The publications of the Poor-Law Commissioners have since wrought powerfully in the right direction. Conviction has flashed from mind to mind; and now we hear from all quarters of Provident and Friendly Societies, of Emigration, of parish struggles for the rectification of abuses, of the regulation of workhouses, the shutting up of soup and blanket charities, and the revision of charitable constitutions, with a view to promote the employment of labour rather than the giving of alms. The extent of the change of opinion in the same time with regard to poor-laws for Ireland is scarcely less remarkable. On no subject has mistake been more prevalent, and never has it more rapidly given way before the statement of principles and facts. The noblest charity, after all, would be a provision for the regular statement, in a popular form, of principles and facts of like importance. When shall we have a Minister of Public Instruction who will be the angel of this new dispensation? It is for the people to say when.

whether through disaster, sickness, or decrepitude, converts the poor into the indigent.

Since indigence occasions misery, and disposes to vice, the welfare of society requires the greatest possible reduction of the number of the indigent.

Charity, public and private, or an arbitrary distribution of the subsistence-fund, has hitherto failed to effect this object; the proportion of the indigent to the rest of the population having increased from age to age.

This is not surprising, since an arbitrary distribution of the subsistence-fund, besides rendering consumption unproductive, and encouraging a multiplication of consumers, does not meet the difficulty arising from the disproportion of numbers to the means of subsistence.

The small unproductive consumption occasioned by the relief of sudden accidents and rare infirmities is necessary, and may be justifiably provided for by charity, since such charity does not tend to the increase of numbers; but, with this exception, all arbitrary distribution of the necessities of life is injurious to society, whether in the form of private almsgiving, public charitable institutions, or a legal pauper-system.

The tendency of all such modes of distribution having been found to be to encourage improvidence with all its attendant evils,—to injure the good while relieving the bad,—to extinguish the spirit of independence on one side, and of charity on the other,—to encourage speculation, tyranny, and fraud,—and to increase perpetually the evil they are meant to remedy,—but one plea is now commonly urged in favour of a legal provision for the indigent.

This plea is, that every individual born into a state has a right to subsistence from the state.

This plea, in its general application, is grounded on a false analogy between a state and its members, and a parent and his family.

A parent has a considerable influence over the subsistence-fund of his family, and an absolute control over the numbers to be supported by that fund; whereas the rulers of a state, from whom a legal provision emanates, have little influence over its subsistence-fund, and no control whatever over the number of its members.

If the plea of right to subsistence be grounded on the faults of national institutions, the right ought rather to be superseded by the rectification of those institutions, than admitted at the cost of perpetuating an institution more hurtful than all the others combined.

What then must be done to lessen the number of the indigent now so frightfully increasing?

The subsistence-fund must be employed productively, and capital and labour be allowed to take their natural course; *i. e.* the pauper system must, by some means or other, be extinguished.

The number of consumers must be proportioned to the subsistence-fund. To this end, encouragements to the increase of population should be withdrawn, and every sanction given to the preventive check; *i. e.* charity must be directed to the enlightenment of the mind instead of to the relief of bodily wants.

If not adopted speedily, all measures will be too late to prevent the universal prevalence of poverty in this kingdom, the legal provision for the indigent now operating the extinction of our national resources at a perpetually increasing rate.

The objects of voluntary emigration, directed by the state, are three-fold:—

1. To improve the condition of those who emigrate, by placing them where they may obtain subsistence at less cost than at home.
2. To improve the condition of those who remain, by increasing the ratio of capital to population.
3. To improve the condition of the colonized region.

To fulfil the first of these objects, the colony must be so located as to insure health and abundance to its members; and it must be so organized as to secure the due co-operation of labour and capital.

To fulfil the second object, the removal of each individual must be less costly than his maintenance at home would be; and the selection must be made with a view to lessening the amount of human productiveness at home.

To fulfil the third object, the colonists must be selected with a view to their productiveness, both as regards capital and population; which includes a moral fitness to compose an orderly society.

It follows from all these considerations that a new settlement should be composed of young, healthy, and moral persons; that all should not be labourers, nor all capitalists; and that there should be a sufficient concentration of their numbers on the new lands to ensure a facility of exchanges.

All other proposed remedies must be subjected to, as this must be regulated by, the test, whether they assist in proportioning labour and capital. The Home Colonization system here fails, on the double ground that it ensures a smaller return to capital and labour than could be had abroad, and serves as a direct premium on population.

Home colonies may afford a temporary relief to a redundant population, and also increase the productiveness of the lands which they appropriate; but this is done by alienating capital from its natural channels; and with the certainty of ultimately injuring society by increasing the redundancy of population over capital.

Home colonization then, though less injurious than the unproductive distribution of the charity-fund, is inferior to foreign colonization, inasmuch as the one yields temporary benefit to a few at the expense of ultimate injury to many; and the other produces permanent benefit to all.

All provisions for rewarding forethought and economy, and especially all for the diffusion of sound moral and political knowledge, approve themselves by this test. All contrivance and care in the production and economy of capital approve themselves also; but Emigration is conspicuous in its merits, since it not only immediately reaches the seat of the evil in the mother country, but affords the greatest of blessings to the colonized regions. If regulated by a due regard to the infallible test, it is scarcely possible to conceive of an arrangement more apt to all the purposes of society. Where it has failed, the reason of failure has commonly been that one link in the chain of operating causes has been wanting. Land and labourers cannot mutually prosper without the capital which has too often been deficient. We have not yet made the experiment of sending out small societies *completely* organized, and amply provided to

settle down at once in a state of sufficient civilization to spare the mother-country all further anxiety about the expedition. It can be no objection to this that it abstracts capital and the most useful species of labour from the mother-country: since the capital so sent out will yield a more rapid and ample increase to us in a new market for commerce than it could have done at home; and the labour is that which we least want at home,—however good its quality may be,—and that which we most want in our possessions on the other side the world. Such an organized society, however, would be able to bear a much larger proportion of children than a similar society could take charge of at home,—the labour of children being of as much more value than their maintenance abroad, as it is less at home. If for every old person naturally belonging to such a company, left behind, two children were taken out, this country would be immediately compensated for the abstraction of prime labour, and a provision would be made for the future contraction of the population. All details, however, from the greatest to the least, will be arranged with infinitely less trouble than our parochial mismanagements have cost us when we have once, as a nation, surveyed the dreary haunts of our pauperized classes, and then taken a flight in spirit to the fair regions abroad which invite their labour with a sure promise of rich recompense. The time must come when it will be a matter of wonder how we could so long be oppressed with a redundancy of labour at home,

while our foreign lands were dreary only for want of labour, while an open sea lay between, while we had shipping to spare to traverse it, and while we were spending nine millions a year in the fruitless support of our paupers, and as a premium on the production of yet more and more labour. The best plea for us in that day will be that we did not understand our own case. By the time we have spent nine millions, or the half of nine millions, in relieving our labour market, we may have discovered how inferior is that superstitious, spurious charity which doles out bread at its own door to an unlawful petitioner because to give bread was once charity, and that enlightened, genuine benevolence which causes plenty to spring in the far corners of the world, nourishing at home the ancient household virtues which have been well nigh starved among us, but which are not dead.

What decision does our test give out in regard to Ireland? That, as a redundancy of population is her universally acknowledged curse, it is unreasonable to expect relief from the introduction of a legal charity,—the most efficacious of all premiums on population. The conclusion is so obvious, that it can be got rid of only by proving either that a redundant population is not the great grievance of Ireland, or that there may be a legal charity which does not act as a premium on population. Where are the materials for either *the one proof or the other*?

Whatever affects the security of property, or intercepts the due reward of labour, impairs the subsistence-fund by discouraging industry and forethought.

Partnership tenancies affect the security of property by rendering one tenant answerable for the obligations of all his partners, while he has no control over the management of their portions.

A gradation of landlords on one estate has the same effect, by rendering one tenant liable to the claims of more than one landlord.

The levying of fines on a whole district for an illegal practice going on in one part of it has the same effect, by rendering the honest man liable for the malpractices of the knave.

The imposition of a church establishment on those who already support another church, intercepts the due reward of labour, by taking from the labourer a portion of his earnings for an object from which he derives no benefit.

The practice of letting land to the highest bidder, without regard to former service, or to the merits of the applicants, intercepts the due reward of the labourer, by decreeing his gains to expire with his lease.

All these practices having prevailed in IRELAND, her subsistence-fund is proportionably impaired, though the reduction is somewhat more than compensated by the natural growth of capital.

While capital has been growing much more slowly than it ought, population has been increasing much more rapidly than the circumstances of the country have warranted; the consequences of which are, extensive and appalling indigence, and a wide spread of the moral evils which attend it.

An immediate palliation of this indigence would be the result of introducing a legal pauper-system

into Ireland ; but it would be at the expense of an incalculable permanent increase of the evil.

To levy a poor-rate on the country at large would be impolitic, since it would only increase the primary grievance of an insufficiency of capital, by causing a further unproductive consumption of it.

To throw the burthen of a pauper-system on absentees would be especially unjust, since they bear precisely the same relation to the wealth of their country as its resident capitalists.

In the case of Ireland, as in all analogous cases, permanent relief can be effected only by adjusting the proportions of capital and population ; and this must be attempted by means suited to her peculiar circumstances.

The growth of capital should be aided by improvements in agricultural and domestic economy, and by the removal of political grievances ; from which would follow a union in place of an opposition of interests.

Population should be reduced within due limits,

In the present emergency, by well-conducted schemes of emigration ; and

Permanently, by educating the people till they shall have become qualified for the guardianship of their own interests.

A sameness in the natural laws of distribution exactly reverses the order of possession in new countries, i. e., in those where capital abounds in proportion to population. There the landowner (if any one finds it worth his while to be a landowner without being either a capitalist or a labourer at the same time) gains no real rent till the best land is all under cultivation, and then *very little* till a third degree is resorted to. The

capitalist, meanwhile, makes less than the labourer; or would gain less if he were not, like the landowner, a labourer also. Where labour is so dear, all are labourers; and the labourer, by a very natural process, soon becomes a capitalist and a landowner; and then he may chance to learn what a strange thing it seems to a man from the mother-country to let land of a fine quality for no better rent than a small share of the produce; and how vexatious it is, after having reaped splendid returns to capital, to have to pay away, in the purchase of labour, all but little more than the ordinary profits of stock.

The want of a due consideration of the difference in relative condition of labourers at home and labourers in new countries has led to some serious errors* in the formation and execution

* It is incumbent on me to advert to the ill-success of one method of supplying labour to the Australian colonies, which I have represented in much too favourable a light in my tale of "Homes Abroad." I find that, though I have pointed out (pp. 54, 55) the leading objections to the plan of indenturing servants to colonial settlers, I have represented the issue of such an experiment as more prosperous than it has been proved in fact. The true state of the case will be learned from the following extract from "Papers relating to the Crown Lands and Emigration to New South Wales," printed by order of the House of Commons, October, 1831.

"The Emigrant, in the cases to which we allude, has bound himself, previously to his departure from this country, to serve his employer for a time at wages which, though higher than those which he could have obtained at home, were much below the ordinary rate in the colony. No attempt has been made to render the advantage obtained by the employer in this manner an

of some of our plans of colonization. Such a scheme as that of penal colonization could never

equivalent for the expense he has incurred in carrying out the Emigrants; and it can scarcely be doubted that in many instances the bargain, if strictly adhered to, would have been more than reasonably profitable to the employer. Indeed it has been the principal fault of these arrangements that the engagement of the Emigrant has not been on either side regarded as a mere undertaking to repay the expense incurred in his conveyance; and hence he has often been led to look upon the transaction as a disadvantageous hiring of himself, into which he had been misled by his ignorance of the circumstances of the place to which he was going. This has been the frequent cause of discontent on the part of indentured servants; and their masters, unable to derive any advantage from unwilling labourers, have found it more for their interest to discharge these servants than to insist on the right conveyed by their bond. It is obvious that no increased severity in the legal enactments for the protection of contracts could prevent those which we have described from being thus dissolved; for they have been so, not from any insufficiency in the obligations by which the Emigrants have been bound, but from the impossibility of rendering such obligations worth preserving, where one of the parties strongly desires them to be cancelled."—pp. 21, 22.

These objections apply only to cases of *binding* for more than the repayment of the expenses of removal to the colony. Next to the education of the people at home, there is no way in which charity can now operate so beneficially as in making loans, under security of repayment, to enable working men, and yet more working *women*, to transport themselves to our Australian colonies; and by diffusing, as widely as possible, *correct* information respecting the condition and prospects of emigrants to our North American colonies. This correct information, which is to the last degree interesting, may be *obtained* from the Papers above referred to, and the

have been adopted if the case of the working class in both countries had been understood. Besides the many other objections which might be and have been forcibly urged, there must remain the insurmountable one that labour is better rewarded in a new colony than at home. It does not appear that any arbitrary severity, short

"Reports of the Emigration Commissioners, for 1832; printed by order of the House of Commons." Every active philanthropist ought to possess himself of the contents of these papers. The Report, dated 1832, contains the following.

"Before we close this account of our proceedings regarding New South Wales and Van Diemen's Land, we must observe that the value of that which has been accomplished cannot be justly estimated by a mere reference to the number already gone out. The general scope and tendency of our measures must be taken into account, as well as the importance, in an endeavour to direct emigration to a quarter comparatively new, of having succeeded in making a *commencement*. For, after the impulse has once been given towards countries really adapted to emigration, the letters of the settlers themselves, more perhaps than the most elaborate statements from authority, serve to maintain and propagate the disposition to resort to the same quarter. Although, therefore, the measures that have been adopted this year may be limited in their immediate influence, and it may be also impossible to predict with certainty their ulterior results, yet, at least, they are of such a nature that, if successful, they may serve as the foundation of a system sufficient for many years to prevent the progress of the Australian colonies from being retarded by the want of an industrious population adequate to the development of their resources." (p. 6.) And the mother-country, we may add, from being impeded, by an over-crowded population at home, in her efforts to exalt the social and moral condition of her mighty family.

of the infliction of such life-long misery as no crime can deserve, can counteract the natural law by which the labourer is more prosperous in our penal colonies than in England. They are places of privilege, and the carrying him there is putting him in a condition of privilege, sooner or later, however severely we may punish him for any terminable period. This is so notoriously the case, that it has become matter of very serious consideration how the lot of the convict can be rendered harder, and be made known at home to be so; and arrangements have been made, within a short period, by which the disproportion in the lot of the innocent and the guilty is considerably lessened. Still, however far the convict may be placed below the virtuous emigrant in the scale of comfort, no power can, in the present state of our labour-market, prevent his being much better off than the independent labourer at home. The power of rulers may ordain chains, whipping, and other penalties to the convict; but it cannot prevent his having, during a pressing demand for his labour, that abundance of the necessities of life which the virtuous labourer cannot obtain at home. Bob Castle* would not now, perhaps, be able to purchase an estate on which his honest brother Frank was a labourer; but Bob, however he might have been punished for seven or fourteen years, could not but have a fairer prospect before him at the end of that time than honest Frank would have had in England. This neces-

* See Homes Abroad.

sity forms, of itself, a conclusive argument against penal colonization as a secondary punishment. That mode of punishment can never command respect or success which wanders so far from the principle of retribution as to inflict studied miseries as a set-off against advantages which cannot be excluded.

The objects of penal colonization are—

1. The security of society by the removal of the offender.
2. The security of society by the effect of his example.
3. The reformation of the offender.

There has hitherto been an entire failure of all these objects : and no wonder ; since,—

1. The offender is only transferred from one portion of society to another ; and besides, frequently returns to his old haunts.
2. His punishment, as far as it is punishment, takes place at too great a distance to be conspicuous as a warning ; and in as far as his lot does not involve punishment, the effect of his example is precisely the reverse of what is desired.
3. Our convict arrangements tend to the further corruption of the offender, by letting him experience a great improvement in his condition as a direct consequence of his crimes.

The junction of penal with voluntary emigration tends equally to disappoint the purposes of the one, and to extinguish the benefits of the other ; since convict labourers find themselves in a state of privilege, in a region where their labour procures them large rewards ; and new settlers find their commu-

nity deeply injured by the vice and disease consequent on the introduction of a convict population.

Before closing this part, it may be well to observe that much vain reluctance to acknowledge the two grand principles which primarily regulate the distribution of wealth, arises from too small an allowance having been asked for subordinate influences, which may justify a much greater degree of hopefulness respecting the condition of an advanced country than some economists have ventured to indulge. It is no wonder that the kind-hearted turn away, and refuse to listen to a doctrine which is thought to forbid much hope that the whole of any society can be comfortably provided with the necessaries of life. It is no wonder that the timid cease from trying to lop off evils, if they must believe that every head of the social hydra will grow again,—that for every redundancy drawn off there will be a speedy overfilling. All experience of humanity contradicts such forebodings: and, though it would assuredly be our duty to make our own generation happier than the last, even under the certainty that the next must fall back again, it is much more animating to believe, as we are justified in doing, that every advance is a pledge of a further advance; that every taste of comfort, generated to the poor man by his own exertions, stimulates the appetite for more. It has ever been found that, when men have learned to prefer wheaten bread to potatoes, it is more likely that their *children* should be taught to seek butchers' meat

than allowed to fall back to potatoes. The father who has worked his way up into a glazed and tiled cottage, brings up his children to fear the mud hovel in which they were born. If we do but apply ourselves to nourish the taste for comfort in the poor,—to take for granted the most, instead of the least, that they ought to require, there is little fear but that, whenever circumstances allow, they will fall into our way of thinking, and prefer a home of comfort, earned by forethought and self-denial, to herding together in a state of reckless pauperism. With every increase of resources, let a vigorous exertion be made to rouse the complacency and exalt the tastes of the labouring class, and it will assuredly be found, in the interval before a new access of labour can be brought into the market, that the condition of the class has improved as a matter of theory, as well as practice, and that it must go hard with them but they will keep it up.

All experience warrants this statement. There can be no question that the preventive check has largely superseded the positive in all advancing societies. There can be no doubt of the increased providence of the middling classes, and the enlargement of the domestic requirements of the poor, even though wars, famine, and pestilence have nearly ceased to make the awful vacancies in which the wants and desires of the survivors could expand. Though in some unhappy districts where the visitations of want have extinguished the moral check, multitudes still herd together, more like brutes than human

beings, it is certain that there is a larger demand among the working classes of England for better food, clothing, habitations, and furniture, than their fathers thought of requiring. If this has taken place notwithstanding all the bad policy, public and private, with which we have weakened the spirit and the power of independence, there is ample reason for confidence in an accelerated progress in proportion as public and private influence shall work in an opposite direction. Since every one can, many will assist in this noble work; assured that not a single effort can be lost, and that its successful result will extend far beyond the present generation. Few are now found to advocate that species of prospective benevolence which acts by long-reaching pecuniary bequests; but it does not follow that benevolence may not be prospective. Let it extend its view to the remotest ages within ken of the human imagination. Let it do this by promoting the welfare of the parents of future generations;—a wide field enough, if we lived but for charity.

PART III.

THE total wealth of society being distributed among three classes, according to the principles above announced, the next process is the exchange of commodities by individuals for purposes of individual enjoyment.

The complication of this process arises chiefly from the diversity of production which takes place on the earth, occasioning not only a wide difference in the amount of labour required to produce the same results in different regions, but a perpetual variegation and augmentation of commodities, which affect the demand, and render uncertain the transactions of trade.

This complication, however, involves no disastrous perplexity, unless meddled with by powers which bear no relation to it. All commodities will declare their own value, and obtain equivalents, to the ultimate satisfaction of the exchanging parties, if they are left to themselves; but when any power, which cannot regulate human wants and wishes, interferes to prescribe what provision shall be made for those wants and wishes, there is not only a certainty that the relative values of commodities will be temporarily deranged, to the disadvantage of one of the exchanging parties, but an uncertainty when the natural relation of values will be restored, and

whether disorder will not first spread into every other department of exchange. Since human labour is the universal commodity which is brought to market, to be given and taken under all forms, (since capital is only hoarded labour,) there is no safety in ticketing any one commodity as containing more labour than it naturally includes, and thus destroying its balance with the rest, to the injury of its seller's credit, and its buyer's interest. This is what is done by every government which presumes to interfere with the barter of individuals, or authorizes such interference. The duty of government is precisely the reverse;—to secure the freedom of exchange as carefully as the freedom of labour, in the full assurance that it cannot determine relative values till it can determine the amount of labour and the extent of human wants in every region of the earth. This it may do when it has mastered the chemical and mechanical constitution of the globe, when it may not only gauge the rain in every region, but appoint the proportion of its fall.

There are two kinds of Value: value in use, and value in exchange.

Articles of the greatest value in use may have none in exchange: as they may be enjoyed without labour; and it is labour which confers exchangeable value.

This is not the less true for capital as well as labour being employed in production; for capital is hoarded labour.

When equal quantities of any two articles require

an equal amount of labour to produce them, they exchange exactly against one another. If one requires more labour than the other, a smaller quantity of the one exchanges against a larger quantity of the other.

If it were otherwise, no one would bestow a larger quantity of labour for a less return ; and the article requiring the most labour would cease to be produced.

Exchangeable value, therefore, naturally depends on cost of production.

Naturally, but not universally ; for there are influences which cause temporary variations in exchangeable value.

These are, whatever circumstances affect demand and supply. But these can act only temporarily ; because the demand of any procurable article creates supply ; and the factitious value conferred by scarcity soon has an end.

When this end has arrived, cost of production again determines exchangeable value.

Its doing so may, therefore, stand as a general rule.

Though labour, immediate and hoarded, is the *regulator*, it is not the *measure* of exchangeable value ; for the sufficient reason, that labour itself is perpetually varying in quality and quantity, from there being no fixed proportion between immediate and hoarded labour.

Since labour, the primary regulator, cannot serve as a measure of exchangeable value, none of the products of labour can serve as such a measure.

There is, therefore, no measure of exchangeable value.

Such a measure is not needed ; as a due regulation of the supply of labour, and the allowance of free scope to the principle of competition ensure

sufficient stability of exchangeable value for all practical purposes.

In these requisites are included security of property, and freedom of exchange, to which political tranquillity and legislative impartiality are essential.

Price is the exponent of exchangeable value.

Natural or necessary price,—regulated by cost of production,—includes the wages of the labourer, and the profits of the capitalist.

Market price varies from natural price with variations of demand and supply, and in proportion to the oppressiveness of public burdens and commercial restrictions.

The more nearly and permanently market prices approach natural prices, the more prosperous is the state of commerce; and the two most essential requisites to this prosperity are social tranquillity and legislative impartiality.

The ancient error, that some mysterious quality inherent in gold and silver money constituted it wealth, almost to the exclusion of every other commodity, is now so universally dismissed by all who know anything of our science, that there is no occasion to controvert it further than by presenting the appropriate Summary of Principles; and the kindred modern error, that an enlargement of its quantity can do more than give a temporary, and probably hurtful, stimulus to industry, requires now no more than a similar exposure. The sense of the country has lately been taken on this question; and the result proves that there is prevalent a sufficient knowledge of the philosophy and fact of the case to encourage a hope *that no such hazardous sport with the circulating*

medium as the country has previously suffered from will be again attempted. The fate of the Berkeley* family, in consequence of actions on the currency, is only one instance from one class. A long series of sad stories might be told of sufferers of every rank, whose partial prosperity, enjoyed at the expense of one another's ruin, was soon swallowed up in the destruction which universally attends a shock to public credit. The injured might be found dispersed through every dwelling in the land; and, however loudly the richer might complain of the magnitude of their losses, the most cruelly injured were those who had the least opportunity of accounting for their gains and their losses, and therefore the least power of meeting the pressure of circumstances by prudence and forethought.

To stimulate the production of labour by the increase of the circulating medium, the fruits of which must be wrested away by an inevitable contraction, is a policy whose glory is not to be coveted; and surely no statesman will be found to adventure it till the last tradition of the consequent woes of our working-classes shall have died away. By that time, it is probable that the danger of such recurrence will be obviated by the adoption of some principle of security, which will give society the advantage of a free trade in money. It must be long before this can take place; for it must be long before the values of commodities are allowed to adjust themselves;

* Berkeley the Banker.

and money must, from its importance, be very cautiously and gradually committed to the equalizing influences of the natural laws of demand. But, however long it may be, the woes of past convulsions will not till then be forgotten. That the time of arbitrary interference will, however, cease, can scarcely be doubted, if the following be true principles.

In exchanging commodities for one another directly, that is, in the way of barter, much time is lost, and trouble incurred, before the respective wants of the exchanging parties can be supplied.

This trouble and waste may be avoided by the adoption of a medium of exchange,—that is, a commodity generally agreed upon, which, in order to effect an exchange between two other commodities, is first received in exchange for the one, and then given in exchange for the other.

This commodity is Money.

The great requisites in a medium of exchange are, that it should be—

What all sellers are willing to receive ;—

Capable of division into convenient portions ;—

Portable, from including great value in small bulk ;—

Indestructible, and little liable to fluctuations of value.

Gold and silver unite these requisites in an unequalled degree, and have also the desirable quality of beauty ; gold and silver have therefore formed the principal medium of exchange hitherto adopted ; usually prepared, by an appointed authority, in the form most suitable for the purposes of exchange, in order to avoid the inconveniences of ascertaining

the value of the medium on every occasion of purchase.

Where the supply of money is left unrestricted, its exchangeable value will be ultimately determined, like that of all other commodities, by the cost of production.

Where the supply is restricted, its exchangeable value depends on the proportion of the demand to the supply.

In the former case, it retains its character of a commodity, serving as a standard of value in preference to other commodities only in virtue of its superior natural requisites to that object.

In the latter case, it ceases to be a commodity, and becomes a mere ticket of transference, or arbitrary sign of value ; and then the natural requisites above described become of comparatively little importance.

The quality by which money passes from hand to hand with little injury enables it to compensate inequalities of supply by the slackened or accelerated speed of its circulation.

The rate of circulation serves as an index of the state of supply, and therefore tends, where no restriction exists, to an adjustment of the supply to the demand.

Where restriction exists, the rate of circulation indicates the degree of derangement introduced among the elements of exchangeable value, but has no permanent influence in its rectification.

In proportion as the processes of exchange become extensive and complicated, all practicable economy of time, trouble, and expense, in the use of a circulating medium, becomes desirable.

Such economy is accomplished by making acknowledgment of debt circulate in place of the

actual payment,—that is, substituting credit, as represented by bank paper, for gold money.

The adoption of paper money saves time, by making the largest sums as easily payable as the smallest.

It saves trouble, by being more easily transferable than metal money.

It saves expense, by its production being less costly than that of metal money, and by its setting free a quantity of gold to be used in other articles of production.

A further advantage of paper money is, that its destruction causes no diminution of real wealth, like the destruction of gold and silver coin; the one being only a representative of value, the other also a commodity.

The remaining requisites of a medium of exchange—viz., that it should be what all sellers are willing to receive, and little liable to fluctuations of value, are not inherent in paper as they are in metallic money.

But they may be obtained by rendering paper money convertible into metallic money, by limiting in other ways the quantity issued, and by guarding against forgery.

Great evils, in the midst of many advantages, have arisen out of the use of paper money, from the neglect of measures of security, or from the adoption of such as have proved false. Issues of inconvertible paper money have been allowed to a large extent, unguarded by any restrictions as to the quantity issued.

As the issuing of paper money is a profitable business, the issue naturally became excessive when the check of convertibility was removed, while banking credit was not backed by sufficient security.

The immediate consequences of a superabun-

dance of money are, a rise of prices, an alteration in the conditions of contracts, and a consequent injury to commercial credit.

Its ulterior consequences are, a still stronger shock to commercial credit, the extensive ruin of individuals, and an excessive contraction of the currency, yet more injurious than its excessive expansion.

These evils arise from buyers and sellers bearing an unequal relation to the quantity of money in the market.

If all sold as much as they bought, and no more, and if the prices of all commodities rose and fell in exact proportion, all exchanges would be affected alike by the increase or diminution of the supply of money. But this is an impossible case ; and therefore any action on the currency involves injury to some, while it affords advantage to others.

A sudden or excessive contraction of the currency produces some effects exactly the reverse of the effects of a sudden or excessive expansion. It lowers prices and vitiates contracts, to the loss of the opposite contracting party.

But the infliction of reverse evils does not compensate for the former infliction. A second action on the currency, though unavoidably following the first, is not a reparation, but a new misfortune.

Because the parties who are now enriched are seldom the same that were impoverished by a former change, and *vice versâ* ; while all suffer from the injury to commercial credit which follows upon every arbitrary change.

All the evils which have arisen from acting arbitrarily upon the currency prove that no such arbitrary action can repair past injuries ; while it must inevitably produce further mischief.

They do not prove that liability to fluctuation is an inherent quality of paper money, and that a me-

tallic currency is therefore the best circulating medium.

They do prove that commercial prosperity depends on the natural laws of demand and supply being allowed to work freely in relation to the circulating medium.

The means of securing their full operation remain to be decided upon and tried.

Nations exchange commodities as individuals do, for mutual accommodation, each imparting of its superfluity to obtain that in which it is deficient.

The imparting is therefore only a means of obtaining: exportation is the means of obtaining importation—the end for which the traffic is instituted.

The importation of money into a country where money is deficient is desirable on the same principle which renders desirable the supply of any deficient commodity.

The importation of money into a country where money is not deficient is no more desirable than it is to create an excess of any other commodity.

That money is the commodity most generally bought and sold is no reason for its being a more desirable article of importation than commodities which are as much wanted in the country which imports it.

That money is the commodity most generally bought and sold is a reason for its being the commodity fixed upon for measuring the relative amounts of other articles of national interchange.

Money bearing different denominations in the different trading countries, a computation of the relative values of these denominations was made in the infancy of commerce, and the result expressed in terms which are retained through all changes in the value of these denominations.

The term by which, in each country, the original equal proportion was expressed is adopted as the fixed point of measurement, called the par of exchange; and any variation in the relative amount of the total money debts of trading nations is called a variation from par.

This variation is of two kinds—nominal and real.

The nominal variation from par is caused by an alteration in the value of the currency of any country, which, of course, destroys the relative proportion of its denominations to the denominations of the currency of other countries; but it does not affect the amount of commodities exchanged.

The real variation from par takes place when any two countries import respectively more money and less of other commodities, or less money and more of other commodities.

This kind of variation is sure to correct itself, since the country which receives the larger proportion of money will return it for other commodities when it becomes a superfluity; and the country which receives the smaller proportion of money will gladly import more as it becomes deficient.

The real variation from par can never, therefore, exceed a certain limit.

This limit is determined by the cost of substituting for each other metal money and one of its representatives—viz., that species of paper currency which is called Bills of Exchange.

When this representative becomes scarce in proportion to commodities, and thereby mounts up to a higher value than the represented metal money, with the cost of transmission added, metal money is transmitted as a substitute for bills of exchange, and the course of exchange is reversed, and restored to par.

Even the range of variation above-described is

much contracted by the operations of dealers in bills of exchange, who equalize their value by transmitting those of all countries from places where they are abundant to places where they are scarce.

A self-balancing power being thus inherent in the entire system of commercial exchange, all apprehensions about the results of its unimpeded operation are absurd.

The crying philosophers of all times have mourned over the pertinacity of men and of nations in clinging to errors through all the sufferings thence arising; the suffering being ascribed to "fate, or Providence, or something,"—to any thing rather than to their favourite errors. The laughing philosophers cannot deny this; but, looking farther, they see that, error by error being exploded at length, there is no return to that which is clearly seen to be the cause of suffering,—unless such an experimental brief return as can only serve to confirm the truth. Commerce has now been instituted for a longer succession of ages than we have any distinct knowledge of;—ever since the first root-digger exchanged his vegetable food for the game of the first sportsman. From that time till now, an error has subsisted among all classes of exchangers which has caused enough of privation, of ill-will, of oppression and fraud, of war, pestilence and famine, to justify the tears of a long train of crying philosophers. But the error has been detected. Philosophers have laid their finger upon it; the press has denounced it; *senates* are preparing to excommunicate it; and

its doom is sealed. This error is,—that commerce is directly productive. Hence arises the belief, that if one party gains by commerce, another must lose ; and hence have arisen the efforts of clansmen to confine their exchanges within their own clan ; of villagers within their own village ; of citizens within their own state ; of a nation within its own empire. Hence it arises that the inhabitants of one district have been afraid to enjoy the productions of any other district, and that they have been doomed by their rulers to pine and die in occasional dearth, and to quarrel with occasional superabundance when they might have had plenty in the one case, and an influx of new enjoyments in the other. Hence have arisen some of the most humbling scenes of human vice which have disgraced the species.

The atrocious practice of wrecking was formerly pursued, not only as a method of robbery, but as a means of impairing the commercial resources of foreigners. There was connivance at pilots who ran a rich vessel upon rocks ; and protection for the country people who gave their exertions to destroy instead of to save. If the cargo went to the bottom, something was supposed to be gained to the country, though those who looked upon the disaster were disappointed of their plunder. Next came the ridiculous and cruel practice of making aliens engaged in commerce answerable for the debts and offences of each other ; and as a kind of set-off against the advantages which they were supposed to take

from the people among whom they lived, they were compelled to pay much heavier duties than natives for all articles of import and export.

The necessity thus arose for commercial treaties which should ensure the safety and proper treatment of commercial agents when any two powers agreed to exchange good offices. Edward II. made an agreement with Venice that its merchants and mariners should be permitted, *for ten years*, to come and go, and sell their merchandise in security, without having either their persons or goods stopped on account of other people's crimes or debts. From the time of such partial relaxation,—such narrow openings to a foreign trade,—the wants of the multitude of each civilized people have forced one after another of the barriers raised by national jealousy, while all parties remained under the influence of the error that commerce is directly productive, and of course an advantage to be denied to enemies, except when a very hard bargain can be driven with them. Perhaps the most curious specimens in existence of attempts at mutual overreaching, of laborious arrangement to secure what must naturally happen, and of an expensive and tyrannical apparatus for achieving what is impossible, may be found in the commercial treaties from the infancy of commerce till now. The only idea which never seems to have struck the negotiators is, that commerce is valuable,—not because production takes place *in the mere exchange of commodities*,—but *because systematic exchange facilitates the most*

extensive division of labour and the closest economy of capital,—advantages which must be shared by both if experienced by either of the exchanging parties. On the same principle that the shoemaker makes no hats, and the hatter no shoes, and that both find an advantage in supplying each other, without any new product arising from the mere act of exchange, the growers of tea and the makers of hardware respectively profit by supplying each other; and they can afford to employ an intermediate class, the merchants,—to conduct their traffic, since they can go on preparing their tea and grinding their cutlery, while the process of exchange is being transacted. The saving of capital is mutual also. It must be mutual and incalculable as long as the regions of the earth differ in their productions, yielding a superabundance in one place of some necessary or comfort which is rare in another. No commercial treaty bears the least reference to the obvious final purpose of all commerce;—that the greatest number shall obtain the largest amount of enjoyment at the least cost. Such a recognition of the ultimate principle would, indeed, be inconsistent with the very existence of commercial treaties, except as far as they relate to the personal protection of traders. But, while the people of each country have shown the most decided inclination to obtain more and more of what they cannot produce at home, the aim of governments, and generally of merchants, has been to sell as much as possible to other nations; to take from them as

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little as possible but money; and to get the greatest possible quantity of that. In furtherance of this view, money has been taken from the people at large, and given to their merchants to tempt them to go and sell at a loss, rather than not get hold of foreign money; and again, money has been exacted from foreigners who come to sell their goods in our ports. Nothing is gained by this to the nation, as the foreigners must be repaid these duties as well as the cost of their articles; and it is clear to every observer how much is lost to all the parties concerned. Yet such is the false principle on which commercial treaties have hitherto been founded. This child's-play of universal circumvention is pursued less vigorously than it was; and some of the players are so tired of the wasteful and wearying sport as to be ready to give it up: but, owing to the false belief that no one could yield without the rest, the absurdity has endured longer than might have been expected.

It was not perceived, till lately, that it is a good thing to any nation, as it would be to any man, to get what it wants, even if it be compelled to pay in money when it had rather pay in goods: especially when it is certain, from the ascertained self-balancing quality of money, that it will soon flow in from some other quarter in exchange for the goods wanted to be sold. When so plain a truth as this is once experienced, it cannot but spread; and fewer examples will be henceforth seen of nations keeping themselves *poor*, lest their neighbouring customers should

grow rich. How rapidly such truth runs, when once sent off on its career, may be seen from the following facts: it being borne in mind that nations are educated by the experience of centuries, as men are of years.

In 1703, a commercial treaty was concluded between Great Britain and Portugal, which was for many years lauded by the British as being in the highest degree favourable to the interests of her manufacturing classes, at a very slight expense. Our woollens were then excluded from Portugal. Mr. Methuen, who managed the treaty, obtained a free admission for them, in return for a concession which was considered a mere nothing in comparison with the advantage obtained. It was merely promised that portwine should be admitted into Great Britain at one-third less duty than French wines. As for the woollens, their admission into Portugal duty-free was a much greater advantage to the Portuguese than to us. They obtained cheap an article which they very much wanted, and which we were sure of selling in one quarter or another, if we could produce it at such a cost as made its production worth while. As for the wine,—the Portuguese and the British have both been suffering ever since for the arbitrary preference given to that of Portugal over that of France. Portugal has, and has always had, too little capital for the capabilities of the country and the wants of the people. By the monopoly of the British market being given to Portugal, too large a proportion of its small capital has been devoted

to the growth of wine, and the whole country is in a more backward state than it would have been if its capital had been allowed to find its own channels. We, meanwhile, lost the French market for our woollens, brought upon ourselves retaliatory restrictions on other articles, and were compelled to drink inferior wine at a greater cost than if the trade had been left to itself. France grew more pettish ; we grew resentful, and raised the duties again, and again, and again. Thousands, who had been fond of French wines, found that they could afford the indulgence no longer, and took to port. Thousands more, who had drunk port because they could not afford French wines, left off drinking wine at all. In three years the revenue from the wine-duties fell off by more than 350,000*l.*, while the naturally wine-drinking population was increasing. The richest of our citizens, to whom the price of wine is not a very important consideration, had their cause of complaint. Guernsey was all this time receiving small quantities of wine, and sending out large quantities. A prosperous manufacture of wines was carried on there ; and no gentleman could tell how much sloe-juice, apple-juice, and brandy he might be drinking under the name of wine. There is no good reason why a day-labourer should not drink French wines at his dinner instead of beer, if they are equally cheap ; and no one knows how cheap they might have been by this time, if they had been allowed their fair chance ; and the cheaper, and therefore the *more abundant*, those wines, the larger must be

the quantity of our goods taken by the French in exchange. As it is, the Portuguese have profited where we meant they should not, and suffered where we meant they should be permitted to profit. Our Government has suffered a diminution of revenue ; our rich men have drunk adulterated wines ; our middling classes have been obliged to put up with dear port-wine or none ; our working classes have been debarred from having wine at all, and have been shut out for more than a hundred years from one of the largest markets where their labour might have found its recompense.

Such are some of the consequences of the famous Methuen treaty, which was, for a considerable length of years, extolled as a model of commercial negotiation. These consequences, and others which followed similar blunders, wrought at length their natural effect upon the minds of those primarily interested in the principles and methods of commercial policy. On the 8th of May, 1820, the following petition from the merchants of London was presented to the House of Commons. It was signed by all the principal merchants of London ;—a class whose opinions on this question could not but be respectfully regarded, if they had been announced with less dignity and precision than we find in this memorable address. The time may and will come when its propositions will be regarded as a set of truisms scarcely worthy of announcement under such circumstances of formality ; but it should in fairness be remembered in those days

that it was drawn up at the very period when silk and tobacco were being smuggled into hundreds of creeks along our shores ; when bread and wine were taxed for purposes of unjust protection at home, and wicked oppression abroad ; and when our houses and ships were being built of bad wood at a higher cost than need have been paid for the best, in order to favour a colony which, after all, would flourish much more through our prosperity than at our expense. No change of times and convictions can impair the honour due to those who concurred in the following petition :—

“To the Honourable the Commons, &c., the Petition of the Merchants of the City of London.

“Sheweth,

“That foreign commerce is eminently conducive to the wealth and prosperity of a country, by enabling it to import the commodities for the production of which the soil, climate, capital, and industry of other countries are best calculated, and to export, in payment, those articles for which its own situation is better adapted.

“That freedom from restraint is calculated to give the utmost extension to foreign trade, and the best direction to the capital and industry of the country.

“That the maxim of buying in the cheapest market, and selling in the dearest, which regulates every merchant in his individual dealings, is strictly applicable, as the best rule for the trade of the whole nation.

“That a policy founded on these principles would render the commerce of the world an interchange of mutual advantages, and diffuse an increase of *wealth* and enjoyments among the inhabitants of *each state*.

“That, unfortunately, a policy the very reverse of this has been and is more or less adopted and acted upon by the government of this and every other country; each trying to exclude the productions of other countries, with the specious and well-meant design of encouraging its own productions: thus inflicting on the bulk of its subjects, who are consumers, the necessity of submitting to privations in the quantity or quality of commodities; and thus rendering what ought to be the source of mutual benefit and of harmony among states, a constantly recurring occasion of jealousy and hostility.

“That the prevailing prejudices in favour of the protective or restrictive system may be traced to the erroneous supposition that every importation of foreign commodities occasions a diminution or discouragement of our own productions to the same extent; whereas it may be clearly shown, that, although the particular description of production which could not stand against unrestrained foreign competition would be discouraged, yet, as no importation could be continued for any length of time without a corresponding exportation, direct or indirect, there would be an encouragement for the purpose of that exportation, of some other production to which our situation might be better suited; thus affording at least an equal, and probably a greater, and certainly a more beneficial, employment to our own capital and labour.

“That of the numerous protective and prohibitory duties of our commercial code, it may be proved that, while all operate as a very heavy tax on the community at large, very few are of any ultimate benefit to the classes in whose favour they were originally instituted, and none to the extent of the loss occasioned by them to other classes.

“That among the other evils of the restrictive or protective system, not the least is that the artificial

protection of one branch of industry or source of production against foreign competition, is set up as a ground of claim by other branches for similar protection; so that, if the reasoning upon which these restrictive or prohibitory regulations are founded were followed out consistently, it would not stop short of excluding us from all foreign commerce whatsoever. And the same train of argument, which, with corresponding prohibitions and protective duties, should exclude us from foreign trade, might be brought forward to justify the re-enactment of restrictions upon the interchange of productions (unconnected with public revenue) among the kingdoms composing the union, or among the counties of the same kingdom.

"That an investigation of the effects of the restrictive system at this time is peculiarly called for, as it may, in the opinion of your petitioners, lead to a strong presumption that the distress which now so generally prevails is considerably aggravated by that system; and that some relief may be obtained by the earliest practicable removal of such of the restraints as may be shown to be most injurious to the capital and industry of the community, and to be attended with no compensating benefit to the public revenue.

"That a declaration against the anti-commercial principles of our restrictive system is of the more importance at the present juncture; inasmuch as, in several instances of recent occurrence, the merchants and manufacturers of foreign countries have assailed their respective governments with applications for further protective or prohibitory duties and regulations, urging the example and authority of this country, against which they are almost exclusively directed, as a sanction for the policy of such measures. And certainly, if the

reasoning upon which our restrictions have been defended is worth anything, it will apply in behalf of the regulations of foreign states against us. They insist on our superiority in capital and machinery, as we do upon their comparative exemption from taxation ; and with equal foundation.

“That nothing would tend more to counteract the commercial hostility of foreign States, than the adoption of a more enlightened and more conciliatory policy on the part of this country.

“That although, as a matter of mere diplomacy, it may sometimes answer to hold the removal of particular prohibitions, or high duties, as depending upon corresponding concessions by other states in our favour, it does not follow that we should continue our restrictions in cases where the desired concessions on their part cannot be obtained. Our restrictions would not be the less prejudicial to our own capital and industry, because other governments persisted in preserving impolitic regulations.

“That, upon the whole, the most liberal would prove to be the most politic course on such occasions.

“That, independent of the direct benefit to be derived by this country on every occasion of such concession or relaxation, a great incidental object would be gained, by the recognition of a sound principle or standard, to which all subsequent arrangements might be referred ; and by the salutary influence which a promulgation of such just views, by the legislature and by the nation at large, could not fail to have on the policy of other states.

“That in thus declaring, as your petitioners do, their conviction of the impolicy and injustice of the restrictive system, and in desiring every practicable relaxation of it, they have in view only such parts of it as are not connected, or are only subordinately so,

with the public revenue. As long as the necessity for the present amount of revenue subsists, your petitioners cannot expect so important a branch of it as the customs to be given up, nor to be materially diminished, unless some substitute less objectionable be suggested. But it is against every restrictive regulation of trade, not essential to the revenue, against all duties merely protective from foreign competition, and against the excess of such duties as are partly for the purpose of revenue, and partly for that of protection, that the prayer of the present petition is respectfully submitted to the wisdom of parliament.

“May it therefore, &c.”

In order to see how extensively and how effectually governments have interfered to pervert the natural distribution of the gifts of Providence, it would be necessary to review almost the whole list of spontaneous and artificial productions ; for there are few or none whose spread has not been arbitrarily stopped in one direction or another. What Great Britain alone,—the most enlightened of commercial countries,—has done in damming up the streams of human enjoyment, is fearful to think of. In the vineyards of France and Portugal, the grapes have been trodden to waste, and the vinedressers' children have gone half clothed, because wines were not permitted to be brought in, and cottons and woollens were thereby forbidden to be carried out, at their natural cost. During the long series of years that good tea has been a too costly drink for many thousands of our popula-

tion, they would have been glad of the refreshment of chocolate, in some of its various preparations, if Spain had been permitted to send it to us from her colonies as cheap as Spain was willing to afford it. But the article has been loaded with a duty amounting to from 100 to 230 per cent. ; so that few but the rich could ever taste it; and they have been swallowing a curious compound of the nut, flour, and Castile soap. The silkworms of Italy would have wrought as busily for England as for France, if England had not been jealous of France, and thereby injured her own manufacture. England is wiser now, and new myriads of worms are hanging their golden balls on the mulberry trees, while the neighbouring peasantry are enjoying the use of our hardware, and looms are kept busy in Spitalfields. Time was when the northern nations welcomed our manufactures in return for their timber and iron of prime quality: but now, the ship and house-builders must pay higher for worse wood from Canada; and we have laid exorbitant duties on foreign iron, in order to encourage mining at home. The good people of Sweden and Norway, having nothing to offer us but timber and iron, must do without our manufactures; and thus are willing nations prevented from helping one another. Whatever may be thought of the indulgence of opium in this country, no one objects to its being used by the Hindoo and the Chinese as a stimulus appropriate to the climate in which they dwell. If we had allowed things to take their natural

course, Persian husbandmen would have tended their vast poppy-fields, season by season, guarding the delicate plant from the injuries of insects, and sheltering it from unfavourable winds, while the Chinese and the Hindoos would have been busy preparing commodities to exchange with the Persian, and all would have been made rich enough by their traffic to keep British merchant-ships continually going and coming to supply their wants. But our India Company has chosen to force and monopolize the culture of opium. It has beggared and enslaved many thousands of reluctant cultivators ; narrowed the demand ; lessened its own revenue, year by year, and just lived to see China freely supplied with Turkey opium by American traders. Thousands of our lowly brethren in Hindostan and Ceylon have dropped unnoticed out of life because they have not been permitted to touch the crisped salt beneath their feet, or to pluck the spices which perfume the air they breathe. Millions more have sunk at the approach of famine, because no labour of theirs was permitted to provide them with what might be exchanged for food from some neighbouring coast.

It is difficult to say whether we have injured China or Great Britain the most by our extraordinary fancy of sending functionaries invested at once with political and commercial power into a country where commerce is held by far too degrading an employment to be associated with *political* functions. This blunder was made by *our monopolists*, who were, but lately, keeping

up a splendid establishment of important personages, who were regarded by the Chinese as being just above the rank of vagabonds ;—no more respectable, in their possession of incomes graduating from 4000*l.* to 18,000*l.* a-year, than the American free-traders who turn their backs on the Hong merchants, and go into the open market, offering their furs with one hand, and receiving teas and nankeens with the other, cleverly stealing the trade of the British meantime with both. What wealth and comfort untold might the two vast empires of Britain and China have poured into one another by this time, if their original jealousies had not been perpetuated by English mismanagement ! The Dutch and the Americans have both smuggled large quantities of tea into England, while the twelve supercargoes at Canton have been talking politics or yawning within the walls of their Factory ! Truly did the Celestial Emperor say to our representatives, “ Your good fortune has been small ! You arrived at the gates of the imperial house, and were unable to lift your eyes to the face of heaven.” The day of exclusion is, however, over. It may be long before we can overcome the contempt of the nation, and make them forget that some of our politicians were traders ; but we have the interests of the Chinese in our favour. They will import according to their needs ; more of our weavers and cutlers will have money to buy tea with, and they will get more tea for their money ; and no one can tell what new classes of productions may become

common when the messengers of these two mighty empires shall go to and fro, and knowledge shall be increased.

Such are a few of the specimens which might be adduced of the mischiefs wrought in one hemisphere by interference with commerce. "To all things there cometh an end;" to all unjust and foolish things, at least. We are now in possession of so ample a stock of experience, that the day cannot be far off when all customs duties shall be repealed but those which are necessary for the purposes of revenue. There will be some half-objectors left; some importers who will admit the impolicy of protections of all articles but the one in which they happen to deal. Mr. Huskisson was pathetically appealed to to protect green glass bottles; and a last struggle may be tried with another minister in favour of liquorice or coral beads; but an immense majority of every civilised people are verging towards a mutual agreement to give, in order that to each may be given "full measure, pressed down, and shaken together, and running over." Such is the plenty in which God showers his gifts among us; and such is the measure in which he would have us yield each to the other.

The countries of the world differ in their facilities for producing the comforts and luxuries of life.

The inhabitants of the world agree in wanting or desiring all the comforts and luxuries which the world produces.

These wants and desires can be in no degree gratified but by means of mutual exchanges. They

can be fully satisfied only by means of absolutely universal and free exchanges.

By universal and free exchange,—that is, by each person being permitted to exchange what he wants least for what he wants most,—an absolutely perfect system of economy of resources is established; the whole world being included in the arrangement.

The present want of agreement in the whole world to adopt this system does not invalidate its principle when applied to a single nation. It must ever be the interest of a nation to exchange what it wants little at home for what it wants more from abroad. If denied what it wants most, it will be wise to take what is next best; and so on, as long as anything is left which is produced better abroad than at home.

In the above case, the blame of the deprivation rests with the prohibiting power; but the suffering affects both the trading nations,—the one being prevented getting what it wants most,—the other being prevented parting with what it wants least.

As the general interest of each nation requires that there should be perfect liberty in the exchange of commodities, any restriction on such liberty, for the sake of benefiting any particular class or classes, is a sacrifice of a larger interest to a smaller,—that is a sin in government.

This sin is committed when,—

First,—Any protection is granted powerful enough to tempt to evasion, producing disloyalty, fraud, and jealousy: when,

Secondly,—Capital is unproductively consumed in the maintenance of an apparatus of restriction: when,

Thirdly,—Capital is unproductively bestowed in enabling those who produce at home dearer than foreigners to sell abroad as cheap as

foreigners,—that is, in bounties on exportation : and when,

Fourthly,—Capital is diverted from its natural course to be employed in producing at home that which is expensive and inferior, instead of in preparing that which will purchase the same article cheap and superior abroad,—that is, when restrictions are imposed on importation.

But though the general interest is sacrificed, no particular interest is permanently benefited, by special protections : since

Restrictive regulations in favour of the few are violated, when such violation is the interest of the many ; and

Every diminution of the consumer's fund causes a loss of custom to the producer. Again,

The absence of competition and deprivation of custom combine to make his article inferior and dear ; which inferiority and dearness cause his trade still further to decline.

Such are the evils which attend the protection of a class of producers who cannot compete with foreign producers of the same article.

If home producers can compete with foreign producers, they need no protection, as, *cæteris paribus*, buying at hand is preferable to buying at a distance.

Free competition cannot fail to benefit all parties :—

Consumers, by securing the greatest practicable improvement and cheapness of the article ;

Producers, by the consequent perpetual extension of demand ;—and

Society at large, by determining capital to its natural channels.

Colonies are advantageous to the mother-country as affording places of settlement for her emigrating members, and opening markets where her merchants will always have the preference over those of other countries, from identity of language and usages.

Colonies are not advantageous to the mother-country as the basis of a peculiar trade.

The term "colony trade" involves the idea of monopoly; since, in a free trade, a colony bears the same relation as any other party to the mother-country.

Such monopoly is disadvantageous to the mother-country, whether possessed by the government, as a trading party, by an exclusive company, or by all the merchants of the mother-country.

It is disadvantageous as impairing the resources of the dependency, which are a part of the resources of the empire, and the very material of the trade which is the object of desire.

If a colony is forbidden to buy of any but the mother-country, it must do without some articles which it desires, or pay dear for them;—it loses the opportunity of an advantageous exchange, or makes a disadvantageous one. Thus the resources of the colony are wasted.

If a colony is forbidden to sell its own produce to any but the mother-country, either the prohibition is not needed, or the colony receives less in exchange from the mother-country than it might obtain elsewhere. Thus, again, the resources of the colony are wasted.

If a colony is forbidden either to buy of or sell to any but the mother-country, the resources of the colony are wasted according to both the above methods, and the colony is condemned to remain a poor customer and an expensive dependency.

In proportion, therefore, as trade with colonies is distinguished from trade with other places, by re-

strictions on buyers at home, or on sellers in the colonies, that trade (involving the apparatus of restriction) becomes an occasion of loss instead of gain to the empire.

If restrictive interference be impolitic,—oppressive,—impious, between empire and empire; it becomes absolutely monstrous when introduced among the different classes of the same country. The magistrates of a grazing county would do ill to prohibit intercourse with the manufacturing, and agricultural, and mining districts around; but much more oppressive and fatal would be the policy of a city corporation which should make the resources of the city depend on the will of the corn-dealers which it contained.—Such has been the policy of the rulers of Britain; and side by side with this restriction of the supply of food,—this abuse of capital,—may be placed the curious perversion of labour which is caused not only by the forcing of agriculture at the expense of manufactures, but by the existence of exclusive and injurious privileges to trading corporations, of certain ancient laws respecting apprenticeship, and of the iniquitous practice of the impressment of seamen.

The system of restricting the supply of food would exhibit as many sins under the head of Production as of Distribution. To make an ever-increasing population depend on graduating soils for its support, is at once to enact that either a certain number shall die outright of *hunger*, or that a much larger number shall be *half-fed*; and that, in either case, waste of capi-

tal must be made in proportion to the inferiority of our newly-cultivated soils compared with those which might yield us their produce from abroad. From this waste arises another and equally destructive species of waste in the preparation of our manufactured articles. Wages are higher than they need be to purchase the same necessities ; therefore our manufactured articles are higher priced than they need be ; therefore they have not a fair chance in foreign markets ; and therefore our ill-fed manufacturing population is wronged. Such are some of the evils of a restricted trade in corn, considered under the head of Production. As for the distribution of this prime necessary of life,—the circumstance of its being loaded with an artificial cost suggests the deplorable scenes and narratives of suffering which may be verified in every street of all our cities. No arrangement can be more utterly unprincipled than that by which a necessary of life, of which the richest can scarcely consume more than the poorest, is made needlessly expensive. We may linger in vain to find a comparison to illustrate the iniquity. It is the worst possible instance of legislative injustice ; and when it is considered that this injustice is perpetrated for the benefit of a particular class, which class is brought by it to the verge of ruin, and that the injury spreads to every other class in turn, it will be seen that no words can describe its folly. Add to this our provisions for diverting labour from its natural channels, and for making it stagnate in one spot, and it will appear as if

we had yet to learn the rights of labour and the uses of capital, or as if we openly defied the one, and abused the other. It is not so, however. The folly came before the iniquity; and, in cases of false legislation, the folly, originating in ignorance, must be long perceived and pointed out,—i.e. must become iniquity,—before it can be remedied. But the remedy is secured from the moment that the denunciation goes abroad. We have passed through the necessary stages, and the issue is at hand. Our grandfathers legislated about corn on false principles, through ignorance; our fathers clung to these false principles in a less innocent state of doubt. We have perpetuated them wickedly, knowing their disastrous results; and a voice is going up through all the land which will almost immediately compel their relinquishment.

Very little can be done to improve the condition of the people till the Corn Laws are repealed. All practicable retrenchments, all ordinary reduction of taxation, all reforms in the organization of Church and State, important as they are, are trifles compared with this. The only measure of equal consequence is the reduction of the Debt; and this ought to accompany or immediately precede the establishment of a free trade in corn. Day and night, from week to week, from month to month, the nation should petition for a free trade in corn, urging how landlords, when freed from fluctuation of their revenues, will be able to bear their fair proportion of the national burdens; how the farmer, no longer tempted to a wasteful application of capital, will

cease the so-called ungrateful clamour with which he repays legislative protection; how the manufacturing class will prosper and will multiply our resources when they are allowed the benefits of the free competition in which their ingenuity qualifies them to hold a distinguished place; and how our labourers will be, by one comprehensive act, raised, every man of them, a grade higher than any laborious, partial legislation can raise any one of their classes. An act which must, at once, prevent the waste of capital and the misapplication of labour, unclog the system of manufactures and commerce, and obviate the main distresses of our agriculturists, must do more for the improvement of our revenue, and the union of our nation than all less comprehensive measures put together. To untax the prime necessary of life is to provide at once a prospective remedy for all the worst evils of our social arrangements. This will scarcely be disputed by those who admit the principles of the following summary. It is important that such results of these principles should be traced out and made familiar to the mind, as it is certain that the days of free trading in corn are at hand.

As exchangeable value is ultimately determined by the cost of production, and as there is an incessant tendency to an increase in the cost of producing food, (inferior soils being taken into cultivation as population increases,) there is a perpetual tendency in the exchangeable value of food to rise, however this tendency may be temporarily checked

by accidents of seasons, and by improvements in agricultural arts.

As wages rise (without advantage to the labourer) in consequence of a rise in the value of food, capitalists must either sell their productions dearer than is necessary where food is cheaper, or submit to a diminution of their profits.

Under the first alternative, the capitalist is incapacitated for competition with the capitalists of countries where food is cheaper: under the second, the capital of the country tends, through perpetual diminution, to extinction.

Such is the case of a thickly-peopled country depending for food wholly on its own resources.

There are many countries in the world where these tendencies have not yet shown themselves; where there is so much fertile land, that the cost of producing food does not yet increase; and where corn superabounds, or would do so, if there was inducement to grow it.

Such inducement exists in the liberty to exchange the corn with which a thinly-peopled country may abound, for the productions in which it is deficient, and with which a populous country may abound. While, by this exchange, the first country obtains more corn in return for its other productions, and the second more of other productions in return for its corn, than could be extracted at home, both are benefited. The capital of the thickly-peopled country will perpetually grow; the thinly-peopled country will become populous; and the only necessary limit of the prosperity of all will be the limit to the fertility of the world.

But the waste of capital caused by raising corn *dear* and in limited quantities at home, when it *might be* purchased cheap and in unlimited quan-

tities abroad, is not the only evil attending a restriction of any country to its own resources of food; a further waste of capital and infliction of hardship are occasioned by other consequences of such restriction.

As the demand for bread varies little within any one season, or few seasons, while the supply is perpetually varying, the exchangeable value of corn fluctuates more than that of any article whose return to the cost of production is more calculable.

Its necessity to existence causes a panic to arise on the smallest deficiency of supply, enhancing its price in undue proportion; and as the demand cannot materially increase on the immediate occasion of a surplus, and as corn is a perishable article, the price falls in an undue proportion.

These excessive fluctuations, alternately wasting the resources of the consumers and the producers of corn, are avoided where there is liberty to the one class to buy abroad in deficient seasons, and to the other to sell abroad in times of superabundance.

It is not enough that such purchase and sale are permitted by special legislation when occasion arises, as there can be no certainty of obtaining a sufficient supply, on reasonable terms, in answer to a capricious and urgent demand.

Permanently importing countries are thus more regularly and cheaply supplied than those which occasionally import and occasionally export; but these last are, if their corn-exchanges be left free, immeasurably more prosperous than one which is placed at the mercy of man and circumstance by a system of alternate restriction and freedom.

By a regular importation of corn, the proper check is provided against capital being wasted on inferior soils; and this capital is directed towards

manufactures, which bring in a larger return of food from abroad than could have been yielded by those inferior soils. Labour is at the same time directed into the most profitable channels. Any degree of restriction on this natural direction of labour and capital is ultimately injurious to every class of the community,—to land-owners, farming and manufacturing capitalists, and labourers.

Labourers suffer by whatever makes the prime necessary of life dear and uncertain in its supply, and by whatever impairs the resources of their employers.

Manufacturing capitalists suffer by whatever tends needlessly to check the reciprocal growth of capital and population, to raise wages, and disable them for competition abroad.

Farming capitalists suffer by whatever exposes their fortunes to unnecessary vicissitude, and tempts them to an application of capital which can be reffder profitable only by the maintenance of a system which injures their customers.

Landowners suffer by whatever renders their revenues fluctuating, and impairs the prosperity of their tenants, and of the society at large on which the security of their property depends.

As it is the interest of all classes that the supply of food should be regular and cheap, and as regularity and cheapness are best secured by a free trade in corn, it is the interest of all classes that there should be a free trade in corn.

The duty of government being to render secure the property of its subjects, and their industry being their most undeniable property, all interference of government with the direction and the rewards of industry is a violation of its duty towards its subjects.

Such interference takes place when some are countenanced by legislation in engrossing labours and rewards which would otherwise be open to all; as in the case of privileged trading corporations;—

When arbitrary means of preparation are dictated as a condition of the exercise of industry, and the enjoyment of its fruits,—as in the case of the apprenticeship law;—

When labourers are compelled to a species of labour which they would not have chosen,—as in the case of the impressment of seamen.

The same duty—of securing the free exercise of industry—requires that companies should be privileged to carry on works of public utility which are not within the reach of individual enterprise,—as in the case of roads, canals, bridges, &c.; and also,

That the fruits of rare ingenuity and enterprise should be secured to the individual,—according to the design of our patent law.

In the first-mentioned instances of interference, the three great evils arise of

The restraint of fair competition in some cases;

The arbitrary increase of competition in other cases;

The obstruction of the circulation of labour and capital from employment to employment, and from place to place.

In the last-mentioned instances of protection, none of these evils take place.

The general principles of Exchange are so few and obvious that there would be little need to enlarge upon them but for their perpetual violation. To leave all men free to seek the gratification of their wants seems a simple rule

enough; and universal experience has shown, not only that wants freely expressed are sure to be supplied, generally to the advantage of both parties, but that every interference of authority, whether to check or stimulate the want,—to encourage or discourage the supply, proves an aggression on the rights of industry, and an eventual injury to all concerned. All that governments have to do with the exchanges of nations, as of individuals, is to protect their natural freedom; and, if a system of indirect taxation be the one adopted, to select those commodities for duty which are not necessary enough to subject the lowest class to this species of tax, while they are desirable enough to induce others to pay the additional cost. It may be a question whether this method of raising revenue be wise: there can be no question that a government directly violates its duty when it grants privileges (real or supposed) to one class above another.

But, it is said, governments have always shown more or less of this partiality. May it be confidently anticipated that they will ever cease to transgress the legitimate bounds of their power?

Yes; very confidently. Such transgression is a feudal barbarism. The feudal system has died out in theory; and it is impossible that its practical barbarism should long remain. The progress of freedom has been continuous and accountable, and its consummation is clearly a matter of confident prophecy. Sovereigns, *grand and pretty*, individual or consisting of a

small number compacted into a government, have first exercised absolute power over the lives, properties and liberties of their subjects: this despotic grasp has been gradually relaxed, till life, property, and liberty have been made to depend on law, and not on arbitrary will. Next, the law has been improved, from being the agent of such arbitrary will, to being the expression of a more extended and abstract will. From this stage of improvement the progress has been regular. The province of rule has been narrowed, and that of law has been enlarged. Whatever may have been,—whatever may still be,—the faults in the methods of making the law, the absurdities of the law in some of its parts, and its inadequateness as a whole in every civilized country, the process of enlargement has still gone on, some unjust usurpation being abolished, some sore oppression removed from time to time, affording a clear prospect of a period when every natural and social right shall be released from the gripe of irresponsible authority. No king now strikes off heads at any moment when the fancy may seize him. No kings' councillors now plunder their neighbours to carry on their wars or their sports, or are paid for their services by gifts of patents and monopolies. No parliaments now make laws according to the royal pleasure, without consulting the people; and, if they are slow to repeal some oppressive old laws with which the people are disgusted, it is certain that such laws could not at this day be proposed. What can

be more eloquent than this language of events? What more prophetic than this progression? While the agents by which the advance has been achieved are multiplied and strengthened,—while its final purposes are more clearly revealed, day by day, what other expectation can be entertained than that it will advance more and more rapidly, till the meanest rights of industry shall be at length freed from the last aggressions of power? Then the humblest labourer may buy his loaf and sell his labour in what corner of the earth he pleases. Then legislators will no more dream of dictating what wine shall be drunk, and what fabrics shall be worn, and through what medium God's free gifts must be sought, than they now dream of branding a man's face on account of his theology. They will perceive that the office of dispensing the bounty of nature is not theirs but God's; and that the agents he has appointed are neither kings, parliaments, nor custom-house officers, but those ever-growing desires with which he has vivified the souls of the haughtiest and the lowliest of his children.

PART IV.

CONSUMPTION is of two kinds—productive and unproductive.

The object of the one is the restoration, with increase, in some new form, of that which is consumed. The object of the other is the enjoyment of some good through the sacrifice of that which is consumed.

That which is consumed productively is capital, re-appearing for future use. That which is consumed unproductively ceases to be capital, or any thing else : it is wholly lost.

Such loss is desirable, or the contrary, in proportion as the happiness resulting from the sacrifice exceeds or falls short of the happiness belonging to the continued possession of the consumable commodity.

The total of what is produced is called the gross produce.

That which remains, after replacing the capital consumed, is called the net produce.

While a man produces only that which he himself consumes, there is no demand and supply.

If a man produces more of one thing than he consumes, it is for the sake of obtaining something which another man produces, over and above what he consumes.

Each brings the two requisites of a demand,—viz., the wish for a supply, and a commodity wherewith to obtain it.

This commodity, which is the instrument of

demand, is, at the same time, the instrument of supply.

Though the respective commodities of no two producers may be exactly suitable to their respective wishes, or equivalent in amount, yet, as every man's instrument of demand and supply is identical, the aggregate demand of society must be precisely equal to its supply.

In other words, a general glut is impossible.

A partial glut is an evil which induces its own remedy; and the more quickly the greater the evil; since, the aggregate demand and supply being always equal, a superabundance of one commodity testifies to the deficiency of another; and, all exchangers being anxious to exchange the deficient article for that which is superabundant, the production of the former will be quickened, and that of the latter slackened.

A new creation of capital, employed in the production of the deficient commodity, may thus remedy a glut.

A new creation of capital is always a benefit to society, by constituting a new demand.

It follows that an unproductive consumption of capital is an injury to society, by contracting the demand. In other words, an expenditure which unavoidably exceeds the revenue is a social crime.

All interference which perplexes the calculations of producers, and thus causes the danger of a glut, is also a social crime.

It is necessary to the security and advancement of a community that there should be an expenditure of a portion of its wealth for purposes of defence, of public order, and of social improvement.

As public expenditure, though necessary, is unproductive, it must be limited; and as the means

of such expenditure are furnished by the people for defined objects, its limit is easily ascertained.

That expenditure alone which is necessary to defence, public order, and social improvement, is justifiable.

Such a direction of the public expenditure can be secured only by the public functionaries who expend being made fully responsible to the party in whose behalf they expend.

For want of this responsibility, the public expenditure of an early age—determined to pageantry, war, and favouritism—was excessive, and perpetrated by the few in defiance of the many.

For want of a due degree of this responsibility, the public expenditure of an after age—determined to luxury, war, and patronage—was excessive, and perpetrated by the few in fear of the many, by deceiving and defrauding them.

For want of a due degree of this responsibility, the public expenditure of the present age—determined chiefly to the sustaining of burdens imposed by a preceding age—perpetuates many abuses; and though much ameliorated by the less unequal distribution of power, the public expenditure is yet as far from being regulated to the greatest advantage of the many, as the many are from exacting due responsibility and service from the few.

When this service and responsibility shall be duly exacted, there will be—

Necessary offices only, whose duties will be clearly defined, fully accounted for, and liberally rewarded;—

Little patronage, and that little at the disposal of the people;—

No pomp, at the expense of those who can barely obtain support;—but

Liberal provisions for the advancement of national industry and intelligence.

If the above principles be true, a comparison of them with our experience will yield very animating conclusions. Consumption—that is, human enjoyment—is the end to which all the foregoing processes are directed. Demand is the index of human enjoyment. Every increase of capital creates a new demand. Capital is perpetually on the increase. To sum up the whole, human enjoyment is perpetually on the increase. The single exception to this happy conclusion is where, as in Ireland, the growth of capital is overmatched by the increase of population. But even in Ireland (the worst case which could be selected) the evil is so partial as to allow the good to spread. Though too large a portion of the demand comes in the form of a clamour for daily food, there is a new and spreading demand for a multitude of articles of less necessity. Portions of the population are rising to a region of higher and wider desires; and if this partial elevation has taken place under a most vicious political system, there need be no question that a more rapid improvement will grow up under that wiser and milder government which the civilized world will take care that Ireland shall at length enjoy. There is something so delightful in the review of the multiplication of comforts and enjoyments, that it is difficult to turn away from it at any time; and never is it more difficult *than when establishing the moral of hopefulness.*

But I have dwelt largely on this happy truth in my story of " Briery Creek ;" and probably no day passes in which my readers do not hear or say something about the wonderful improvements in art, the variety of new conveniences, and the spread downwards of luxuries to which the wealthy were formerly believed to have an exclusive title. Great as is still the number of those who are scorched by God's vivifying sun, and chilled by his fertilizing rain, for want of shelter and clothing, the extension of enjoyment has kept its proportion (being both cause and effect) to the improvement of the subordinate processes. With every increase of production, with every improvement of distribution, with every extension of exchange, consumption has kept pace. The only checks it has ever received have arisen out of those legislative sins which have wrought, or must work, their own destruction.

As for that species of consumption which has been always regarded with the least complacency, —the too long unprofitable consumption of government,—nothing can be more cheering than to mark the changes in its character from an early period of our empire till now. Viewed by itself, our government expenditure is a mournful spectacle enough ; but the heaviest of the burdens we now bear were imposed by a former age ; and our experience of their weight is a sufficient security against such being ever imposed again. We are no longer plundered by force or fraud, and denied the redress of a parliament ; we are no longer hurried into wars, and seduced to tax

our children's children for their support. The sin is now that of omission, and not of perpetration. We do not shake off old burdens, or provide for public order and social improvement as we should; but we do not neglect the one and despise the other, as was done in days of old; and what is left undone there is a spreading movement to effect. The only irreclaimable human decree,—that of an enlightened multitude,—has gone forth against the abuses of the Church and the Law. The Army will follow; and there is reason to hope that a force is being already nourished which may grapple with the gigantic Debt itself. New and noble institutions are being demanded from all quarters as the natural growth from the renovation of the old ones. Religion must yield Education, and Law a righteous Penal Discipline. Schools must spring up around our churches, and prisons will be granted where the law must, if possible, mend criminals as effectually as it has hitherto made them. In time, we shall find that we have spare barracks, which may be converted into abodes of science; and many a parade may become an exercising place for laborious mechanics instead of spruce soldiers. Such are some of the modes of public expenditure which the nation is impatient to sanction. What further institutions will be made to grow out of these, we may hereafter learn in the schools which will presently be planted wherever families are congregated. All that we can yet presume is, that they will be as *much wiser* than ours as our extravagances are

more innocent than the savage pageantries of the Henries, the cruel pleasantries of the Charleses, and the atrocious policy of the "heaven-born Ministers" who figure in our history.

All the members of a society who derive protection from its government owe a certain proportion of the produce of their labour or capital to the support of that government—that is, are justly liable to be taxed.

The proportion contributed should be determined by the degree of protection enjoyed—of protection to property; for all are personally protected.

In other words, a just taxation must leave all the members of society in precisely the same relation in which it found them.

This equality of contribution is the first principle of a just taxation.

Such equality can be secured only by a method of direct taxation.

Taxes on commodities are, from their very nature, unequal, as they leave it in the choice of the rich man how much he shall contribute to the support of the state; while the man whose whole income must be spent in the purchase of commodities has no such choice. This inequality is aggravated by the necessity, in order to make these taxes productive, of imposing them on necessities more than on luxuries.

Taxes on commodities are further injurious by entailing great expense for the prevention of smuggling, and a needless cost of collection.

They could not have been long tolerated, but for their quality of affording a convenient method of tax paying, and for the ignorance of the bulk of the people of their injurious operation.

The method of direct taxation which best secures

equality is the imposition of a tax on income or on property.

There is so much difficulty in ascertaining, to the general satisfaction, the relative values of incomes held on different tenures, and the necessary inquisition is so odious, that if a tax on the source of incomes can be proved equally equitable, it is preferable, inasmuch as it narrows the province of inquisition.

There is no reason to suppose that an equitable graduation of a tax on invested capital is impracticable; and as it would equally affect all incomes derived from this investment,—that is, all incomes whatsoever,—its operation must be singularly impartial, if the true principle of graduation be once attained.

A graduated property-tax is free from all the evils belonging to taxes on commodities; while it has not their single recommendation—of favouring the subordinate convenience of the tax-payer.

This last consideration will, however, become of less importance in proportion as the great body of tax-payers advances towards that enlightened agreement which is essential to the establishment of a just system of taxation.

The grossest violation of every just principle of taxation is the practice of burdening posterity by contracting permanent loans, of which the nation is to pay the interest.

The next grossest violation of justice is the transmitting such an inherited debt unlesened to posterity, especially as every improvement in the arts of life furnishes the means of throwing off a portion of the national burdens.

The same rule of morals which requires state-economy on behalf of the present generation, requires, on behalf of future generations, that no

effort should be spared to liquidate the National Debt.

No sign of the times is more alarming,—more excusably alarming,—to the dreaders of change, than the prevailing unwillingness to pay taxes,—except such as, being indirect, are paid unawares. The strongest case which the lovers of old ways have now to bring in opposition to the reforming spirit which is abroad, is that of numbers, who enjoy protection of life and property, being reluctant to pay for such protection.

This reluctance is a bad symptom. It tells ill for some of our social arrangements, and offers an impediment, at the same time, to their rectification; and thus gives as much concern to the reformers as to the preservers of abuses. This eagerness to throw off the burdens of the state is a perfectly natural result of the burdens of the state having been made too heavy; but it does not the less exhibit an ignorance of social duty which stands formidably in the way of improvements in the arrangement of social liabilities. We are too heavily taxed, and the first object is to reduce our taxation. Indirect taxes are proved to be by far the heaviest, and the way to gain our object is therefore to exchange indirect for direct taxes, to the greatest possible extent. But the direct taxes are those that the people quarrel with. What encouragement is there for a government to propose a commutation of all taxes for one on property, when there

is difficulty in getting the assessed taxes paid? How is it to be supposed that men will agree to that on a larger scale which they quarrel with on a smaller? How can there be a stronger temptation offered to our rulers to filch the payment out of our raw materials, our tea, our beer, our newspapers, and the articles of our clothing? The more difficulty there is in raising the supplies, the more risk we run of being made to yield of our substance in ways that we are unconscious of, and cannot check. The less manliness and reasonableness we show in being ready to bear our just burden, the less chance we have of the burden being lightened to the utmost. It is more than mortifying to perceive that an overburdened nation must, even if it had a ministry of sages, submit for a long time to pay an enormous tax upon its own ignorance.

Such appears too plainly to be now the case with our nation, and with some other nations. A party of gentlemen may be found in any town, sitting over their wine and foreign fruits, repelling the idea of paying a yearly sum to the state, and laughing, or staring, when the wisest man among them informs them that they pay above 100 per cent. on the collective commodities they use. Tradesmen may be found in every village who think it very grievous to pay a house-tax, while they overlook the price they have to give for their pipe of tobacco and their glass of *spirit* and water. Some noblemen, perhaps, *would* rather have higher tailors' bills for liveries

than pay so much a head for their servants. As long as this is the case,—as long as we show that we prefer paying thirty shillings with our eyes shut to a guinea with our eyes open, how can we expect that there will not be hands ready to pocket the difference on the way to the Treasury ; and much disposition there to humour us in our blindness ?

The cry for retrenchment is a righteous cry ; but all power of retrenchment does not lie with the Government. The Government may do much ; but the people can do more, by getting themselves taxed in the most economical, instead of the most wasteful, manner. It is a good thing to abolish a sinecure, and to cut down the salary of a bishop or a general ; but it is an immeasurably greater to get a direct tax substituted for one on cider or paper. All opposition to the principle of a direct tax is an encouragement to the appointment of a host of excisemen and other tax-gatherers, who may, in a very short time, surpass a bench of bishops and a long gradation of military officers in expensiveness to the people. It is time for the people to take care that the greater retrenchments are not hindered through their mistakes, while they are putting their whole souls into the demand for the lesser.

Such mistakes are attributable to the absence of political knowledge among us ; and the consequences should be charged, not to individuals, but to the State, which has omitted to provide them with such knowledge. The bulk of the people has yet to learn that, being born into a

civilized society, they are not to live by chance, under laws that have been made they know not why nor how, to have a portion of their money taken from them by people they have nothing to do with, so that they shall be wise to save as much as they can from being so taken from them. This is the view which too large a portion of us take of our social position, instead of understanding that this complicated machine of society has been elaborated, and must be maintained, at a great expense; that its laws were constructed with much pains and cost; that under these laws capital and labour are protected and made productive, and every blessing of life enhanced; and that it is therefore a pressing obligation upon every member of society to contribute his share towards maintaining the condition of society to which he owes his security and social enjoyment. When this is understood,—when the lowest of our labourers perceives that he is, as it were, the member of a large club, united for mutual good,—none but rogues will think of shirking the payment of their subscription-money, or resist any particular mode of payment before the objections to it have been brought under the consideration of the Committee, or after the Committee has pronounced the mode to be a good one. They will watch over the administration of the funds; but they will manfully come forward with their due contributions, and resent, as an insult upon their good sense, all attempts to get these contributions from them by indirect means.

Till they are enabled thus to view their own

on, it is not wonderful, however deplorable, they should quarrel with a just tax because unequally imposed, ascribing to the principle faults committed in its application. This is less surprising too, because their teeth have been set on edge by the sour grapes with which their fathers were surfeited. A lavish expense and accumulating debt have rendered the name and notion of every tax unpopular. Great allowance must be made for the effects of such ignorance and such irritation. The time will be hastened when a people, ennobled to its lowest rank, may behold its most members heard with deference instead of treated with allowance, if they shall see reason for nonresistance in regard to their contributions to the state ! When they once know what is the state in the department of the Customs, and the oppression and fraud in that of the Excise,—they will see the effects of taxes on raw produce, on the transfer of property, and how multi-beyond all decency are the burdens of taxation; they will value every approach to a plan of direct levy, and will wonder at their own clamour about the house and window (except as to their inequality of imposition) while so many worse remained unnoticed. They will attempt to exhibit the effects on industry and happiness of our different kinds of taxes in more tales; and I only wish I had the power to render my picture of a country of un-commodities as attractive in fiction as I know it would be in reality. Meantime, I

trust preparation will be making in other quarters for imparting to the people those political principles which they desire to have for guides in these stirring times, when every man must act: those principles which will stimulate them at once to keep watch over the responsibilities of their rulers, and to discharge their own.

What, then, is the moral of my fables? That we must mend our ways and be hopeful;—or, be hopeful and mend our ways. Each of these comes of the other, and each is pointed out by past experience to be our duty, as it ought to be our pleasure. Enough has been said to prove that we must mend our ways: but I feel as if enough could never be said in the enforcement of hopefulness. When we see what an advance the race has already made, in the present infant stage of humanity,—when we observe the differences between men now living,—it seems absolute impiety to doubt man's perpetual progression, and to question the means. The savage who creeps into a hollow tree when the wind blows keen, satisfying his hunger with grubs from the herbage, and the philosopher who lives surrounded by luxury which he values as intellectual food, and as an apparatus for securing him leisure to *take account of the stars, and to fathom the uses of creation*, now exist before our eyes,—the one a *finished image of primeval man*; the other a

faint, shadowy outline of what man may be.—Why are these men so unlike? By observing every gradation which is interposed, an answer may be obtained.—They are mainly formed by the social circumstances amidst which they live. All other differences,—of bodily colour and form, and of climate,—are as nothing in comparison. Wherever there is little social circumstance, man remains a savage, whether he be dwarfed among the snows of the Pole, or stretches his naked limbs on the hot sands of the desert, or vegetates in a cell like Caspar Hauser. Wherever there is much social circumstance, man becomes active, whether his activity be for good or for evil. In proportion as society is so far naturally arranged as that its relations become multitudinous, man becomes intellectual, and in certain situations and in various degrees, virtuous and happy. Is there not yet at least one other stage, when society shall be *wisely* arranged, so that all may become intellectual, virtuous, and happy; or, at least, so that the exceptions shall be the precise reverse of those which are the rare instances now? The belief is irresistible.

There has been but one Socrates, some say; and he lived very long ago.—Who knows that there has been but one Socrates? Which of us can tell but that one of our forefathers, or some of ourselves, may have elbowed a second or a tenth Socrates in the street, or passed him in the church aisle? His philosophy may have lain silent within him. Servitude may have chained his tongue; hunger may have enfeebled his

voice ; he may have been shut up in the Canton Factory, or crushed under a distrait for poor-rates or tithes. Till it has been known how many noble intellects have been thus chained and silenced, let no one venture to say that there has been but one Socrates.

Supposing, however, that there has been but one, does it follow that the world has gone back, or has not got forward since his day ? To judge of the effect of social institutions on character and happiness, we must contemplate a nation, and not the individual the most distinguished of that nation. What English artisan would change places with the Athenian mechanic of the days of Socrates, in respect of external accommodation ? What English artisan has not better things to say on the rights of industry, the duties of governments, and the true principle of social morals, than the wisest orator among the Greek mechanics in the freest of their assemblies ? It is true that certain of our most refined and virtuous philosophers are engaged nearly all day in servile labour, and that they wear patched clothes, and would fain possess another blanket. This proves that our state of society is yet imperfect ; but it does not prove that we have not made a prodigious advance. Their social qualifications, their particular services, have not been allowed due liberty, or received their due reward ; but the very circumstance of such men being found among us, *vanded together* in the pursuit of good, is a *sufficient test* of progress, and earnest of further

advancement. Such men are not only wiser, and more prosperous in their wisdom, than they were likely to have been while building a house for Socrates, or making sandals for Xantippe, but they have made a vast approach towards being employed according to their capacities, and rewarded according to their works,—that is, towards participating in the most perfect conceivable condition of society.

When, till lately, has this condition of society been distinctly conceived of,—not as an abstract good, to be more imagined than expected,—but as a natural, inevitable consequence of labour and capital, and their joint products, being left free, and the most enlightened intellect having, in consequence, an open passage left accessible, by which it might rise to an influential rank? Such a conception as this differs from the ancient dreams of benevolent philosophers, as the astronomer's predictions of the present-day differ from the ancient mythological fables about the stars. The means of discernment are ascertained—are held in our hands. We do not presume to calculate the day and hour when any specified amelioration shall take place; but the event can be intercepted only by such a convulsion as shall make heaven a wreck and earth a chaos. In no presumption of human wisdom is this declaration pronounced. Truth has one appropriate organ, and principles are that organ; and every principle on which society has advanced makes the same proclamation. Each has delivered man over to a nobler successor, with a promise of

progression, and the promise has never yet been broken. The last and best principle which has been professed, if not acted upon, by our rulers, because insisted on by our nation, is "the greatest happiness of the greatest number." Was there ever a time before when a principle so expanding and so enduring as this was professed by rulers, because insisted on by the ruled? While this fact is before our eyes, and this profession making music to our ears, we can have no fears of society standing still, though there be brute tyranny in Russia, and barbarian folly in China, and the worst form of slavery at New Orleans, and a tremendous pauper population at the doors of our own homes. The genius of society has before transmigrated through forms as horrid and disgusting as these. The prophecy which each has been made to give out has been fulfilled: therefore shall the heaven-born spirit be trusted while revealing and announcing at once the means and the end—THE EMPLOYMENT OF ALL POWERS AND ALL MATERIALS, THE NATURAL RECOMPENSE OF ALL ACTION, AND THE CONSEQUENT ACCOMPLISHMENT OF THE HAPPINESS OF THE GREATEST NUMBER, IF NOT OF ALL.

THE END.

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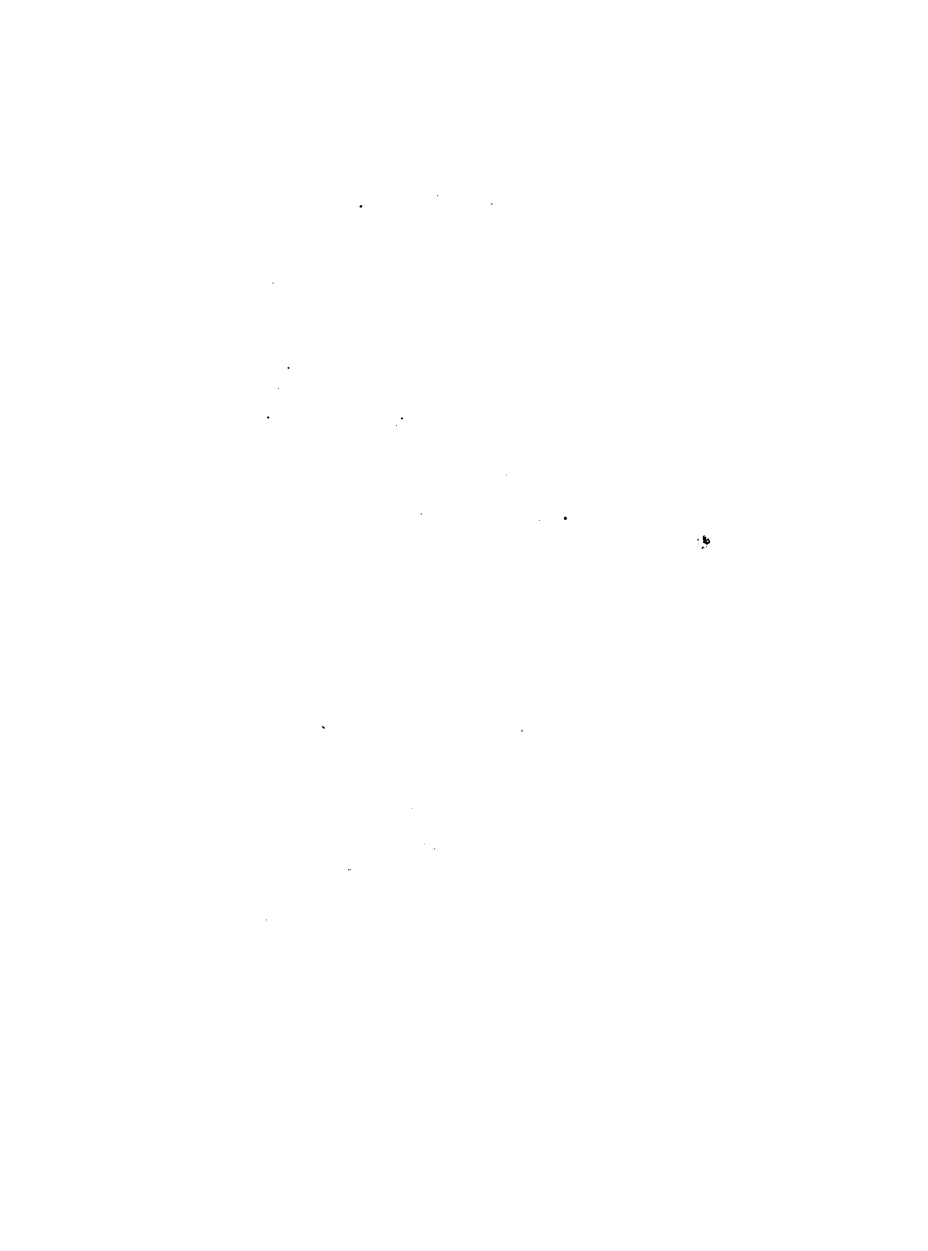
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